



Daily Report

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Daily Report China

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General

'Team Spirit' Exercises Called 'Unpopular Move'

HK291013 Beijing RENMIN RIBAO in Chinese
29 Mar 88 p 6

[Article by Zhou Bizhong (0719 1801 1813): "An Unpopular Move"]

[Text] According to reports, U.S.-South Korean joint military exercises with the code name "Team Spirit '88" started on 25 March. The military exercises involve a total of more than 200,000 troops, including South Korean troops, 40,000 American troops stationed in South Korea, and American troops transferred from the metropolitan territory and units stationed in the Pacific. As far as weapons and facilities are concerned, they include F-16 fighters, B-52 bombers, and many other modern weapons. It has been reported that during the entire exercise "three-dimensional warfare" involving landing operations, river-crossing operations, and air-drop operations will be "fought."

The United States and South Korea have carried out their joint military exercises since 1976. They are held once a year, and this year's exercises are the 13th. The American and South Korean sides have said that this year's military exercises are nothing but "regular activities." However, people have noticed that compared with the early exercises, the military exercises held recently have changed greatly. As far as the number of troops is concerned, at the beginning, only 40,000 or so troops were involved. In recent years, the number has increased to more than 200,000. As far as the duration of the exercises are concerned, at first they lasted only 1 month or so, from the period of preparation to the end of the exercises. In recent years, the duration of the exercises has been extended to 2 to 3 months. It has also been reported that after the exercises some advanced weapons and facilities will be transferred to the South Korean troops. This can only aggravate tension on the Korean peninsula.

It is known to all that the Korean Workers' Party and the DPRK Government have put forward a series of rational proposals, and have made unremitting efforts with the aim of relaxing the tension on the Korean Peninsula. Last year, North Korea proposed that both North and South Korea reduce their troops to 100,000. North Korea took the lead in reducing unilaterally the number of its troops by 100,000. Early this year, it again proposed a joint meeting between South and North Korea to discuss issues including discontinuing various kinds of military exercises and so on. However, these rational proposals have been rejected by the American and South Korean authorities.

Relaxation of tension is better than a tense situation. Dialogue is better than confrontation. Seeking relaxation of tension through dialogue is the trend of the times and the desire of the people. Relaxation of tension on the

Korean Peninsula and the implementation of the policy of independence, peace, and reunification is the unanimous desire of the entire Korean people. The American and South Korean authorities must not continue this unpopular move.

United States & Canada

Sino-U.S. Economic Relations Symposium Opens

OW290621 Beijing XINHUA in English 1253 GMT
28 Mar 88

[Text] Shanghai, March 28 (XINHUA)—Chinese and American economists will discuss how to expand their countries' economic and technological cooperation at a symposium which opened here today.

The symposium, "Sino-American Economic Relations: Present and Future", is being jointly sponsored by the American Studies Center of China's Fudan University and the East Asian Institute of the U.S.-based California State University.

Attending the 4-day symposium are 71 scholars. They will discuss how the economic policies of the two countries affect their cooperation and trade, said an organizing official.

They will also look at technological transfer, the role of agriculture in Sino-American economic relations and Sino-American political relations, and propose ways and tentative plans for expanding Sino-American cooperation.

Speaking at today's opening session, Shanghai Vice Mayor Xie Lijuan said that economic exchange between China and the United States has stepped up.

In Shanghai, she said, the number of U.S.-funded factories jumped from 9 in 1985 to 33 in 1987.

U.S. Consul General Anderson on Hainan

HK281350 Beijing ZHONGGUO XINWEN SHE
in Chinese 0738 GMT 28 Mar 88

[Text] Haikou, 28 Mar (ZHONGGUO XINWEN SHE)—While being interviewed by a reporter of this news agency, Donald Anderson, Consul General of the United States to Hong Kong, stressed: Hainan's development and prosperity is inseparable from the support of Hong Kong.

A 40-member investment and trade delegation from the American Chamber of Commerce in Hong Kong headed by Consul General Anderson ended its round-the-island inspection yesterday. Anderson affirmed the view of the "golden triangle" expressed by some persons in the economic circles: policy from Hainan, funds from Hong Kong, and technology provided by the United States.

Consul General Anderson stated that his delegation, which consisted of entrepreneurs and businessmen from all trades and services, was interested in various aspects of Hainan. Of course, what they were concerned with most was the special policy to be published soon. They wanted to know whether clauses would show that the policy of Hainan would be more open than that of other existing special zones. He added that they wanted to know whether preferential treatment would be given truly in terms of free exchange of currency, retention of foreign exchange, import and export duties, land prices, and so on.

The consul general is an old China hand. As early as the 1970's, when Sino-American relations were thawing, he worked in the U.S. Liaison Office in China. In 1980, he was again appointed U.S. Consul General to Shanghai. He said that he had always hoped to come to Hainan. Although living standards in the rural areas of the island were comparatively low, with the implementation of a special policy, which was more special than that of other special economic zones, the island promised high hopes for success in the future.

Consul General Anderson pointed out that although the tropical resources of Hainan may not be superior to Southeast Asian countries such as Thailand, Singapore, Malaysia, and so on, the climate of the island is temperate and moderate. It is not as hot as those countries. In particular, Hainan's geographical location is good. It is situated between the hinterland of China and Southeast Asia. It is close to an international trade and financial center, Hong Kong. The northeastern part of Hainan island is close to the Philippines, Taiwan and South Korea, and its western part is close to Thailand.

According to this consul general, there are a total of 800 American companies in Hong Kong. They are seeking opportunities for doing business and investing on Hainan Island. Entrepreneurs, who join the delegation visiting Hainan, have started seeking the ways for establishing textile and electronics industries, and exploiting mineral resources on the island such as cobalt, iron ore, titanium, and so on.

Citibank Opens Branch Office in Shenzhen
OW281248 Beijing XINHUA in English 1230 GMT
28 Mar 88

[Text] Shenzhen, March 28 (XINHUA)—The Citibank of the United States opened a branch in Shenzhen Special Economic Zone today, bringing the number of foreign banks operating here to 15.

Mr. Van Pelt, a senior Citibank official, cut the ribbon at the opening ceremony.

"The opening of this branch shows our confidence in China's modernization," he said.

Northeast Asia

Rail Minister Regrets Shanghai Accident

OW290309 Tokyo KYODO in English 1130 GMT
29 Mar 88

[Text] Shanghai, March 29 KYODO—Chinese Railways Minister Li Senmao, now acting railways minister, has suggested a possibility that defective parts or malfunction of the brake system's linkage pipes may have caused the March 24 train accident near Shanghai.

In an interview with KYODO NEWS SERVICE in a Shanghai hotel on Monday, Li mentioned the possible trouble on train 311 in which a group of Japanese senior high school students were riding.

The head-on crash between two trains killed 28 persons, including 26 Japanese students and a teacher from the Kochi Gakugei Senior High School, and injured about 100 others.

The minister said, however, an official panel of experts would determine the exact cause of the accident after conducting a detailed scientific investigation.

Li also did not rule out the possibility of improper maintenance of the train's brake systems just before the accident.

But he confirmed that the engineer of train 311 did not ignore any signals or make operational errors.

Li also absolved the engineer of train 208 of any blame for the crash.

If the engineer aboard train 208 had not noticed the other train and had not applied heavy pressure on the brakes, the accident might have been more severe, causing more casualties, Li said.

According to Minister Li, train 208 was running at a speed of 40 kilometers per hour and train 311 at a speed of 15-20 kilometers per hour.

At the outset of the interview, Li expressed his deep regret and condolences to the families of the accident victims.

As part of countermeasures against the recurrence of such an accident, Li expressed his intention to make more exchanges with Japanese railway experts.

The official fact-finding commission arrived in Shanghai earlier in the day, Li said, and he appealed to the Japanese to trust the results of the experts' panel.

Yang Rudai Meets DPRK Friendship Delegation

*SK280759 Beijing International Service
in Korean 1100 GMT 27 Mar 88*

[Text] Comrade Yang Rudai, member of the CPC Central Committee Political Bureau and secretary of the Sichun Provincial [CPC] Committee, met with the DPRK's South Pyongan Provincial friendship delegation led by Comrade So Yun-sok, member of the Workers Party of Korea [WPD] Central Committee Political Bureau and responsible secretary of the South Pyongan Provincial Committee, on 25 March at Chengdu. Sichuan Province and South Pyongan Province formally concluded friendly relations in October, 1985. In the evening, Comrade Yang held a banquet for Comrade So and his delegation. The South Pyongan Province friendship delegation arrived in Chengdu on 24 March.

DPRK Radio, TV Delegation Arrives in Beijing

*SK290518 Beijing International Service
in Korean 1100 GMT 28 Mar 88*

[Text] The Korean radio and television broadcasting delegation led by Chu Hyon-ok, chairman of the Korean Central Broadcasting Committee, arrived in Beijing this morning by plane. Ai Zhisheng, our country's minister of radio, film, and television, went to the airport and greeted the delegation. Minister Ai Zhisheng hosted a banquet to welcome the Korean radio and television broadcasting delegation this evening. During their stay in our country, they will hold discussions with their counterparts and exchange experiences. Also, they will visit Chengdu, Guangzhou, (Chenji), and (Keirim).

Jiangsu Good-Will Delegation Leaves for DPRK

*OW281208 Beijing XINHUA in English 1041 GMT
28 Mar 88*

[Text] Beijing, March 28 (XINHUA)—A goodwill delegation of the Jiangsu Provincial Committee of the Communist Party of China (CPC) led by Han Peixin, member of the CPC Central Committee and secretary of the provincial committee, left here by train today for visits to the Democratic People's Republic of Korea at the invitation of the Kangwon Provincial Committee of the Workers' Party of Korea.

The delegation was seen off at the station by Zhu Shanqing, deputy head of the International Liaison Department of the CPC Central Committee, and Sin In-ha, Korean ambassador to China.

DPRK Criticizes Seoul for No Response to Proposal

*OW281220 Beijing XINHUA in English 0737 GMT
28 Mar 88*

[Text] Pyongyang, March 28 (XINHUA)—The Democratic People's Republic of Korea [DPRK] criticized South Korea today for not making a response to its proposal of holding a North-South preparatory meeting.

The preparatory committee of the north side to a North-South conference wrote to South Korea on March 8 proposing the two sides of the Korean Peninsula hold a preparatory meeting of the North-South conference at Panmunjom on March 28, but South Korea hasn't made any response.

The party paper "NODONG SINMUN" said today South Korea's action demonstrated that it does not want dialogue, peace and peaceful reunification.

It said the DPRK's stand remains unchanged for holding the North-South conference as early as possible to create conditions conducive to national reconciliation, solidarity and peaceful reunification.

U.S.-S. Korea 'Team Spirit' Exercise Denounced

DPRK Envoy Condemns Exercise

*OW290908 Beijing XINHUA in English 0855 GMT
29 Mar 88*

[Text] Beijing, March 29 (XINHUA)—Sin In-ha, ambassador of the Democratic People's Republic of Korea to China, condemned the "Team Spirit 88" joint military exercise recently launched by the United States and South Korean authorities at a press conference here this morning.

South Korean Students Demonstrate

*SK290352 Beijing International Service
in Korean 1100 GMT 27 Mar 88*

[Text] On 25 March, 1,300 South Korean youths and students in Seoul and Kwangju staged antigovernment and anti-U.S. demonstrations.

According to reports, on this day, 300 Seoul National University students staged demonstrations on campus denouncing strongly the "Team Spirit-88" joint military exercise by the United States and the South Korean authorities, an exercise that is against the South Korean people's desire. They trampled on U.S. flags and threw rocks at the police blockading the school gate. The police fired tear gas canisters at the demonstrators, which resulted in intense fighting between both sides. On this day, about 1,000 students in 2 colleges in Kwangju held antigovernment demonstrations. The students called out slogans against the No Tae-u regime and fought back at the police, who were suppressing the demonstrations, by throwing rocks at them. Also on 25 March, 100 youths raided a ruling Democratic Justice Party chapter with Molotov cocktails injuring 5 people and destroying some furniture.

PRC Workers Invited to S. Korean Skills Training

SK260247 Seoul THE KOREA HERALD in English
26 Mar 88 pp 2, 3

[Text] Chinese workers will come to Korea this year to undergo vocational training, a Labor Ministry official said yesterday.

The official said his ministry has invited three Chinese workers to undergo skill training there through the Asia and Pacific Skill Development Program as the two countries have no official diplomatic relations.

The invitation is part of the ministry's efforts to boost labor diplomacy with China, East bloc and other countries with which Korea has no diplomatic ties.

The ministry will sound out the possibility of exchanging vocational trainees with Eastern European countries, the official said.

He said the ministry has decided to set up an international vocational training center to provide skill education to foreigners invited here.

The Korean vocational training has got credit for triumphs in the International Vocational Training Competitions. The Korean delegation chalked up the seventh consecutive victory in the international event by winning the Sydney competition in February.

The official said three Chinese workers will attend a three-month class in Seoul.

The ministry plans to invite more Chinese workers if the first training program brings about a good result, he said.

In addition to the three Chinese, 19 workers from Africa, Middle East and Latin America will be invited this year to receive vocational training in Korea, the official said.

The foreign trainees will attend one of three-month classes featuring machinery, welding, auto maintenance and other industrial fields.

According to ministry statistics, about 200 foreign workers have received vocational training here since 1983 when the ministry initiated the educational programs for foreign workers.

The official said his ministry will make more efforts to join the International Labor Organization (ILO).

In preparation, the ministry will inaugurate an organization handling the matter related to the ILO entry and attend as many international labor meetings as possible, he said.

Southeast Asia & Pacific

Commentator's Article on SRV Stand on Nansha

HK290150 Beijing RENMIN RIBAO OVERSEAS
EDITION in Chinese 29 Mar 88 p 6

[Commentator's article: "Evil Moves of the Vietnamese Authorities in Going Back on Their Word"]

[Text] The Vietnamese authorities have deliberately created tension over China's Nansha archipelago area recently; on the one hand, they have stepped up their occupation of islands and reefs in the archipelago and engaged in armed provocations against Chinese personnel engaged in scientific surveys and patrols there; and on the other, they have set their propaganda machine in motion to whip up an anti-China tide, slandering that Chinese personnel who are engaged in their normal business in Chinese territory are "nibbling away gradually" at "Vietnamese territory." This is being done in a vain bid to paint themselves as the owners of the Nansha archipelago. As everyone knows, history cannot be tampered with, and there is no way that the history written down by the Vietnamese authorities themselves can be erased.

The Nansha archipelago, in common with the Xisha, Dongsha, and Zhongsha archipelagos, has always been Chinese territory. This is a historical fact, not only confirmed by volumes of historical materials but also acknowledged in the international field by very many countries, including Vietnam. In government statements and formal diplomatic notes, and also in the press and in maps and history books, Vietnam has clearly set out this position. There is no harm in doing a little historical review here:

On 15 June 1956, SRV Deputy Foreign Minister Ung Van Khiem declared explicitly when receiving the charge d'affaires ad interim of the Chinese Embassy in Vietnam: "According to Vietnamese materials, taking the historical view, the Xisha and Nansha archipelagos should belong to China's territory." Le Loc, director of the Asia section of the SRV Foreign Ministry, who was present at the occasion, went further in introducing the Vietnamese materials specifically, pointing out: "Taking the historical view, the Xisha and Nansha archipelagos already belonged to China at the time of the Song Dynasty."

On 4 September 1958, the PRC Government issued a statement proclaiming that the territorial waters of the PRC extended for 12 nautical miles, and explicitly pointing out: "This rule applies to all territory of the PRC, including...the Dongsha, Xisha, Zhongsha, and Nansha archipelagos and other islands belonging to China." On 14 September of the same year, SRV Premier Pham Van Dong sent a diplomatic note to PRC State Council Premier Zhou Enlai, declaring solemnly: "The SRV Government acknowledges and agrees with the PRC Government statement of 4 September 1958

regarding its decision on territorial waters." "The SRV Government respects this decision." Pham Van Dong's diplomatic note indicated clearly that the Vietnamese Government recognized that the Xisha and Nansha archipelagos were Chinese territory.

In 1960, the "World Atlas" compiled by the General Staff Department of the Vietnamese People's Army used the Chinese names to mark the Xisha and Nansha archipelagos, and added next to the names that these belonged to China. In May 1962, the "World Atlas" printed by the Survey and Cartography Bureau of the Vietnamese Premier's Office still used the Chinese names to indicate the Xisha and Nansha archipelagos. The book "Geography" published by the Vietnamese Educational Press in 1974 for ordinary 9-year schooling also marked clearly the Xisha and Nansha archipelagos as Chinese territory. Moreover, the chapter on the "People's Republic of China" contained the passage: "This island arc...stretching from the Nansha and Xisha archipelagos to Hainan, Taiwan, the Penghu islands, and the Zhoushan islands, constitutes a 'great wall' protecting the Chinese mainland."

After the conclusion of Vietnam's war of resistance against the United States, the expansionist ambitions of the Vietnamese authorities swelled, and they made a 180 degree turn on the question of the Xisha and Nansha archipelagos, reversing their previous position completely. By revising their domain, issuing Foreign Ministry statements and so on, they attempted in vain to tamper with history and went so far as to describe two Chinese archipelagos as Vietnamese territory. In addition to seizing the chance of liberating the south to occupy some islands and reefs in China's Nansha islands, they also expanded continually their scope of occupation in that archipelago, heedless of China's repeated protests and warnings. In particular, this year the Vietnamese have sent many additional armed warships to the waters around the Nanshas, where they have stepped up their occupation of islands and reefs and have even provoked armed clashes openly.

The evil moves of the Vietnamese authorities in going back on their word on the question of the Xisha and Nansha archipelagos constitute a component part of the policy of aggression and expansion that they are pursuing, and also constitute a self-revelation of their regional hegemonist features. The harsh facts show that it is none other than the Vietnamese authorities themselves who have committed aggression against China's Nansha archipelago, and that it is none other than the Vietnamese authorities themselves who have "nibbled away gradually" at China's Nansha archipelago. While occupying China's territory, the Vietnamese authorities have made a great show of babbling about the necessity of producing "official state materials" and "documents with legal validity" in order to prove territorial sovereignty. Are not the examples we have quoted above precisely "official state materials" and "documents with legal validity" of the Vietnamese Government? Any

unbiased person can see clearly from these materials and documents that before 1974 Vietnam was extremely explicit in recognizing the Xisha and Nansha archipelagos as Chinese territory. After that, proceeding from their expansionist ambitions, the Vietnamese authorities went back on their word, acted perfidiously, and not only expanded their aggressive activities in the Nansha archipelago but even went so far as to provoke armed clashes. All this shows that the repeated statements of the Vietnamese authorities about "holding talks" with China and "improving" Sino-Vietnamese relations are simply a deceitful pack of lies. The aggressive and expansionist moves of the Vietnamese authorities in the Nansha archipelago are absolutely intolerable to the Chinese people and are absolutely prohibited by the publicly acknowledged principles of international law.

SRV Leader Urges Solution to Grain Shortage
OW290347 Beijing XINHUA in English 1650 GMT
28 Mar 88

[Text] Hanoi, March 28 (XINHUA)—Vietnamese party leader Nguyen Van Linh today called on peasants to pay agricultural tax and fulfill grain-sale contracts with the state in order to overcome the urgent grain shortage problem.

Addressing the First National Congress of representatives of the Vietnam Peasants Association which opened here this morning, Linh said the grain shortage problem has been sharply highlighted in some cities and industrialized areas since the beginning of this year because of the poor harvest in 1987.

Grain output fell to 17.6 million tons in 1987 from 18.4 million tons in 1986, and grain rations per capita fell to 280 kg from about 300 kg, Linh said.

Due to the shortage of grain, he noted, grain prices have risen sharply in many areas, especially in northern parts of the country. Meanwhile, the prices of many other agricultural and industrial products have also risen, he said, adding that the urban and rural people are facing a lot of new difficulties in their daily life.

Linh stressed that agriculture should be considered as the first front. The Politburo of the Vietnamese Communist Party will soon publish some new rural policies to improve rural economic management and promote commodity production, he said.

Philippine Officials View U.S. Bases Issue

Manglapus on 'Safeguarding' Interests
OW290149 Beijing XINHUA in English 1710 GMT
28 Mar 88

[Text] Manila, March 28 (XINHUA)—Safeguarding of the national interest would be the main consideration of the Philippines in the forthcoming review of the U.S. military bases agreement, Philippine Foreign Affairs Secretary Raul Manglapus said here today.

The U.S. maintains its two largest overseas military bases, the Clark Airbase and the Subic Naval Base, in the Philippines under the Philippines-U.S. bases agreement signed in 1947. A review is called for every 5 years by the agreement which expires in 1991. The next review is to be held here on April 5.

Speaking at a meeting of the Philippine Council of Foreign Relations, the foreign secretary said, "It is the Philippine Government's position to respect that agreement until its termination in September 1991 and to keep its options open on whether or not to negotiate a new treaty thereafter, in accordance with the provisions of our Constitution."

Manglapus said that the Philippines would like the rectification of the imperfections in the agreement so as to "regain some of the dignity that history took away from us."

The foreign secretary also said that in preparation for the termination of the agreement, a number of studies are now in progress on the conversion of the U.S. military facilities to civilian uses.

He said that the U.S. military facilities in the Philippines are of no utility in the country's internal and external defense, but provide for the U.S. "command, control, communications and counter-intelligence in an area which extends from the Pacific to Africa."

The U.S. military establishments on Diego Garcia, in the Indian Ocean, and those as far out as in Australia and Madrid, are all directed from the Philippines, he said.

In exchange for the American military presence, the Philippines gets, on a 5-year basis, 180 million U.S. dollars annually, he said, adding that "what we are given is one-sixth of the total of almost 1.3 billion U.S. dollars awarded to Greece, Turkey, Portugal and Spain" that host U.S. facilities in Europe.

The forthcoming review on U.S. military bases agreement, to be held on April 5, would not be a "useless exercise," he said. "For the correction and perfection of the provisions of the agreement on the 'unhindered' use of the bases, the ownership of improvements thereon, criminal jurisdiction in offenses by U.S. servicemen, and indeed the application of the constitutional provision on nuclear weapons."

Tolentino Sees End of Agreement

OW290609 Beijing XINHUA in English 1258 GMT
26 Mar 88

[Text] Manila, March 26 (XINHUA)—Philippine former foreign minister Arturo Tolentino said today the Philippines has no choice but to terminate the military bases agreement with the United States by 1991.

Tolentino, also a former senator, told [words indistinct] of radio broadcasters that the stringent constitutional provisions had virtually made any future extension of the bases agreement impossible without coming out with a new treaty.

The Philippine-U.S. bases agreement expires in 1991.

Meanwhile, Defense Secretary Fidel Ramos has said the U.S. cannot fully and directly answer the country's defense requirements in case of an external attack.

But the country benefits directly from the two U.S. military bases because of the compensation package the U.S. remits directly.

Ramos said these benefits are mostly supplies which the Philippines cannot buy on its own because of the present economic difficulties.

Philippines Seeks More Compensation

OW290603 Beijing XINHUA in English 1251 GMT
26 Mar 88

[Text] Manila, March 26 (XINHUA)—The Philippines will demand increased compensation from the United States for the retention of two U.S. bases in the country, a member of the preparatory committee for review of the bases agreement said here today.

Leticia Ramos-Shahani, chairperson of the Senate Committee on Foreign Relations, said the Philippine panel will ask for a compensation package of two billion U.S. dollars for 1989 and 1990 during the coming review.

The last review in 1983 resulted in a compensation package of 900 million U.S. dollars covering the period 1984-88.

Shahani said the increased compensation package will consist of outright economic [words indistinct], foreign military sales credit, and military grants, but she did not give a breakdown of the compensation package.

She said the amount was reached on the basis of U.S. compensation packages to other countries which also have military agreements with Washington.

The review beginning April 5 and expected to extend beyond July this year will cover the terms and conditions that will govern the U.S. bases agreement for 1989-90.

But it will not discuss the retention or dismantling of the two U.S. bases—Subic Naval Bases in Olongapo City and Clark Air Base in Angeles City—when the bases agreement expires in 1991.

Thailand, Laos Ready To Continue Border Talks
OW290445 Beijing XINHUA in English 1157 GMT
26 Mar 88

[Text] Bangkok, March 26 (XINHUA)—Both Laos and Thailand have recently expressed their willingness to continue talks on the border dispute, but differences remain on the setting-up of a joint border committee and the revival of the joint Thai-Lao cooperation committee.

According to Thai Foreign Ministry sources, Laos delivered a letter to Thai Ambassador in Vientiane Niran Phanuphong on March 23, officially expressed its positions on the Thai proposals put forth at the first round of government negotiations on the border conflict, which was held in Bangkok on March 3 and 4. [sentence as received]

Thailand proposed the revival of the existing joint cooperation committee and the formation of a joint border committee to resolve the border problems.

The official Laotian news agency, KPL, quoted the Laotian Foreign Ministry as saying that while Vientiane has "constantly and strictly" observed the joint Thai-Lao cooperation committee agreement, the body had failed to achieve its goals.

The joint Thai-Lao cooperation committee was set up to boost bilateral trade and cooperation in 1979. While not officially defunct, it has been inactive since its creation.

On the joint border committee proposed by Thailand to verify and demarcate the border, the Laotian letter was reportedly said it had no objections to the formation of such a body, but the committee could be "set up only when the border in question is drawn" and could not replace the work of government delegations.

Although the Thai Foreign Ministry did not describe the Laotian letter as a rejection, the ministry's spokesman Sarot Chawanawira yesterday said that the Laotian response was not different from the verbal reply the Thai side received in Vientiane in mid-March.

Sarot said that Thailand is ready to continue border talks with Laos based on the righteousness of binding treaties and principles of international law.

"Before the next round of talks, we have to carefully assess whether Laos has changed its previously held positions," he said.

The spokesman said that it would be difficult if the negotiations continue in a similar fashion.

Meanwhile, Radio Laos reported yesterday that the Laotian delegation is ready to come to Thailand for further negotiations. The Lao side, it said, had not turned down the Thai proposal to set up a joint committee to define the borderline.

Thailand and Laos had been fighting for the control of an 80-square-kilometer strip between the Thai province of Phitsanulok and Sayaboury Province of Laos since last November. Two rounds of talks between government delegations of the two countries had been held following a ceasefire agreement reached in mid-February between the Thai and Lao military delegations.

Burmese Armed Forces Day Marked in Beijing
OW281409 Beijing XINHUA in English 1212 GMT
26 Mar 88

[Text] Beijing, March 26 (XINHUA)—Ohn Myint, military attache to the Burmese Embassy in Beijing, gave a reception here this afternoon to mark the 43rd anniversary of the Burmese Armed Forces Day.

Han Huaizhi, deputy chief of general staff of the Chinese People's Liberation Army, attended the reception.

Australian Labor Party Group Feted in Beijing
OW290531 Beijing XINHUA in English 1547 GMT
28 Mar 88

[Text] Beijing, March 28 (XINHUA)—Lei Jieqiong, vice chairman of the National Committee of the Chinese People's Political Consultative Conference, gave a banquet for a delegation from the Australian Labor Party, led by Jack Wright, here tonight.

Lei is also vice president of the Association for International Understanding of China, which hosts the Australian visitors, who arrived here last Saturday for a 2-week friendly visit.

Near East & South Asia

PLA Air Force Leader Leaves Pakistan for Turkey
OW290045 Beijing XINHUA in English 0748 GMT
27 Mar 88

[Text] Islamabad, March 27 (XINHUA)—Wang Hai, commander of the Air Force of the Chinese People's Liberation Army, left Karachi for Turkey this morning after concluding his 6-day visit to Pakistan.

Wang, who arrived in Pakistan on March 21, was entertained to a banquet hosted by chief of staff of the Pakistan Air Force Hakimullah here last night before leaving for Karachi, the largest city in the country.

During his stay here, Wang was received by Pakistan President Mohammad Ziaul Haq and Prime Minister Mohammad Khan Junejo. He was awarded a Nishan-i-Imtiaz (Flag Medal, First Class) by Ziaul in recognition of his contribution to the development of Sino-Pakistan friendship and cooperation.

Wang also attended a grand military parade ceremony in honor of Pakistan's national day on March 23.

The Chinese Air Force commander will also visit Egypt after his week-long visit to Turkey.

Saudi Arabian King Defends Missile Program

*OW290520 Beijing XINHUA in English 0132 GMT
29 Mar 88*

[Text] Cairo, March 28 (XINHUA)—Saudi Arabia will go ahead with its ratified defense programs and will pursue its Islamic mission and Arab duties, Saudi Arabian King Fahd said today.

At a cabinet regular meeting in Riyadh, capital of Saudi Arabia, the monarch also stressed Saudi Arabia's legitimate right in safeguarding its sovereignty over its land and defending the Islamic sanctities of Mecca and Medina, Islamic holiest shrines.

King Fahd expressed his deepest gratitude and appreciation for the support to and the solidarity with the kingdom expressed by most of Arab countries in protest against Israel's threat to strike at the medium-range missile site in Saudi Arabia.

Saudi Arabia confirmed last week that it had bought CSS-2 medium-range missiles but stressed it would not equip them with nuclear warheads. It said the missiles were part of its plans to beef up its defence.

Israel has threatened to carry out pre-emptive strikes on the missiles. The Israeli threats were indignantly condemned by Arab countries who expressed their firm support for Saudi Arabia's possession of the missiles.

Tunisia Expresses Support

*OW290526 Beijing XINHUA in English 0151 GMT
29 Mar 88*

[Text] Tunis, March 28 (XINHUA)—Tunisian President Zine Abidine Ben Ali strongly condemned threats by Israeli officials against Saudi Arabia's purchase of missiles and reaffirmed his people's solidarity with the Arab brother country, the TUNISIAN-AFRICAN PRESS (TAP) reported today.

In a message to Saudi Arabia's King Fahd ibn 'Abd al-'Aziz, the Tunisian president said his country "has been paying close attention to Israel's threats" after Saudi Arabia has received the defensive equipment." [quotation marks as received]

Last Thursday, officials from Israeli Prime Minister Yitzhak Shamir's office threatened that Israel will launch preemptive actions against Saudi Arabia for its installation of missiles.

"We reiterate our solidarity and attitude to your side facing any aggression to be perpetrated against your territorial integrity," the president said. Saudi Arabia

has the legitimate right to get weapons useful against any possible aggression to assure its national security and defend the interests of the Arab nation, he added.

The president strongly condemned the Zionist threats and extended respects to the courageous attitude of Saudi Arabia.

Sub-Saharan Africa

Envoy to Botswana Denounces South African Raid

*OW290221 Beijing XINHUA in English 1921 GMT
28 Mar 88*

[Text] Gaborone, March 28 (XINHUA)—Chinese Ambassador to Botswana Zhang Dezheng issued a statement this afternoon, denouncing the South African regime for its cross-border attack on Botswana and killing four innocent people here early this morning.

The bloody incident took place at the small hours today when South African armed forces raided a home in the suburbs of Gaborone.

Describing the incident as "shocking", the Chinese ambassador said in the statement that the Government of the People's Republic of China expressed its great indignation at South African regime's new savage act and strongly condemns South Africa's racist regime for its frequent attacks on its neighbouring countries.

He said that the Chinese Government will firmly support the Botswana Government in its struggle to safeguard national sovereignty, independence, and territorial integrity.

West Europe

Gu Mu Meets UK Northern Ireland Delegation

*OW290944 Beijing XINHUA in English 0922 GMT
29 Mar 88*

[Text] Beijing, March 29 (XINHUA)—Chinese State Councillor Gu Mu met here today with a delegation from the Industrial Development Board of Northern Ireland of Britain.

The delegation is headed by Peter Viggers, parliamentary under secretary of state of Northern Ireland Office.

Arriving in China on March 20 at the invitation of the China Council for the Promotion of International Trade, the delegation has visited Shanghai, Tianjin and Beijing and will leave here for home tomorrow.

Shanghai Mayor Seeks Investment on UK Visit
OW290538 Beijing XINHUA in English 0205 GMT
29 Mar 88

[Text] London, March 28 (XINHUA)—Visiting Mayor of Shanghai Jiang Zemin Monday urged British businessmen to take advantage of his city's preferential policies for foreigners and open businesses in the largest Chinese city.

With 90 projects in hands, Jiang, also a Politburo member of the Chinese Communist Party, showed his desire to open the door of Shanghai wider with the special authority granted by the central government.

Jiang, invited to visit the country by the British Foreign Office, is to meet British Prime Minister Margaret Thatcher, Foreign Secretary Geoffrey Howe and Secretary of State for Trade and Industry Lord Young during his six-day stay which will end on March 31.

As one of the 14 open coastal cities in China, Shanghai was recently granted special authority for raising funds directly from the international financial market and paying back by itself.

According to Shen Beizhang, a senior Shanghai trade official, the funds will be used mainly for the construction of a subway, a second bridge over the Huangpu River, airport expansion, sewage disposal and improvement of telecommunications.

Shanghai is a city directly under the Chinese central government and its industrial output value accounted for 7.1 percent, port handling capacity 33 percent and export value 12 percent of the country's total in 1987.

XINHUA Views UK Trade Deficit, Unemployment
OW281102 Beijing XINHUA in English 0650 GMT
28 Mar 88

[Text] London, March 28 (XINHUA)—Britain's trade deficit and unemployment will increase this year and investment will rise by more than 10 percent, according to a monthly survey published by the Confederation of British Industry (CBI) today.

CBI, the largest employers' organization in Britain, Predicted that Britain's current account deficit would widen from 1.7 billion pounds (about 3.1 billion U.S. dollars) last year to 5.3 billion pounds (about 9.75 billion dollars) in 1988 and 5.5 billion pounds (about 10.1 billion dollars) in 1989.

The survey expected that export growth will slow to 3.1 percent this year compared with 6.7 percent in 1987, while imports will grow by 7.4 percent after a 7.3 percent rise last year.

The two main causes of this are higher British growth relative to growth in the rest of the world and loss of competitiveness due to a stronger pound, it said.

Earlier, Chancellor of the Exchequer Nigel Lawson forecast a four billion pound (about 7.3 billion dollar) trade deficit in 1988 but some economists have predicted a shortfall of up to eight billion pounds (14.7 billion dollars).

The survey predicted that in an overall investment rise of 10.8 percent, manufacturing investment will increase by 9.8 percent this year and slow down to 7.5 percent in 1989, compared with 3.4 percent last year.

Falling trends in unemployment will be stopped by slower growth by the end of the year and the country's jobless total of 2.5 million will rise to 2.7 million in 1989, it said.

However, the CBI survey said that the overall outlook of Britain's economy is encouraging [words indistinct] growth in domestic demand and output expected in the months ahead.

Sir David Nickson, the CBI president, said that the survey showed "that the momentum of economic recovery is being maintained."

The CBI monthly trends survey, conducted among 1,549 companies [words indistinct] that 47 companies expect their output to rise, 10 per cent expect it to fall, and 43 percent expect no change.

Vice Foreign Minister Calls on Cypriot President
OW290637 Beijing XINHUA in English 0128 GMT
27 Mar 88

[Text] Nicosia, March 26 (XINHUA)—Visiting Chinese Vice Foreign Minister Qi Huaiyuan called on Cyprus President George Vassiliou and president of the Cyprus House of Representatives Vassos Lyssarides on separate occasions here today.

Qi and his 5-member delegation arrived in Cyprus on Friday for a 4-day official visit.

In the talks, President Vassiliou spoke highly of the friendly relations and cooperation between Cyprus and China in many fields, and hoped such cooperation could be further strengthened.

Cyprus House President Lyssarides, who visited China last year at the head of a parliamentary delegation, said although Cyprus and China were far apart geographically, the two countries shared common views on many international issues.

Qi in the talks reiterated Chinese Government's consistent stand of support for the independence, sovereignty, territorial integrity, unity, and the nonaligned status of the Cyprus Republic.

He said China hoped that the Greek and Turkish communities in the island could solve their dispute through peaceful means on the basis of relevant resolutions of the United Nations on Cyprus.

The Chinese vice minister also had an official talks today with his counterpart M. Mavrommatis at the Foreign Ministry on bilateral relations and international issues of common interest.

The Chinese vice foreign minister will conclude his official visit to Cyprus next Monday after a meeting with Cypriot Foreign Minister Yeoriyos Iakovou.

Sino-Spanish Chemicals Cooperation Accord Signed
*OW290519 Beijing XINHUA in English 1606 GMT
28 Mar 88*

[Text] Beijing, March 28 (XINHUA)—China and Spain have worked out a cooperative agreement to produce chemicals used in making detergent.

According to an agreement signed here today, the largest ever between the two countries, China's Fushun Detergent Chemical Plant will import a complete line of detergent chemical production equipment from Tecnicas Reunidas, S.A., a Spanish firm.

Xu Deen, president of China's National Technological Import-Export Corporation, and Jose Llado, chairman of Tecnicas Reunidas, S.A., signed the contract.

The Fushun Detergent Chemical Plant will buy the equipment with a 145 million U.S. dollar variable loan granted by the Spanish Government.

When the new equipment is fully-operational in 1991, the plant will be able to turn out 72,000 tons of alkylate and 50,000 tons of other detergent-making chemicals, which will ease China's shortage of detergent materials and related chemicals.

China's State Councillor Gu Mu and the visiting Spanish Minister of Justice Fernando Ledesma attended today's signing ceremony.

Before the agreement was signed, Gu met with Ledesma, Eugenio Bregolat y Obiols, Spanish ambassador to China, and Llado.

"This project is a demonstration of Sino-Spanish cooperation, and the loan shows the Spanish Government is positive about technological cooperation," Gu said.

"We appreciate this," Gu added, "and we hope the program will proceed according to schedule."

East Europe

Contracts Signed With Hungary For Equipment
*HK290442 Beijing CHINA DAILY in English
29 Mar 88 p 2*

[By staff reporter Qu Yingpu]

[Text] China is determined to continue its efforts this year to ease the shortage of by-products. This was demonstrated when two contracts were signed with Hungary in Beijing yesterday evening to import two complete sets of production equipment.

The sets, each costing about 1 million Swiss francs, will have respective annual capacities to produce 30,000 tons of fodder enough to raise about 600,000 chickens, said Xiao Gang, an official of the China National Machinery Import and Export Corporation.

The equipment will include a complete fodder production line, one set placed in Beijing and the other in Linyi, Shandong Province, he said.

China stated importing such equipment from Hungary in 1977. As well as the new sets, China has already imported 24 sets, 19 of which have been put into operation. The total import value has topped 30 million Swiss francs, Xiao said.

Besides the Hungarian equipment, China has also imported similar equipment from the United States, Japan, Holland, Switzerland and Italy.

"Because China is still in need of more pork and eggs, the big cities are expected to import more fodder production lines from foreign countries," he said.

China is planning to co-operate with Hungary and other countries to start projects on pig raising and slaughtering, and pork processing with imported fine breed pigs and equipment said.

The Hungarian Ambassador Ivan Lasilo told CHINA DAILY he is satisfied with the steady growth in the volume of Sino-Hungarian trade and is ready to start new and large co-operative projects such as bus and machine tool manufacturing.

CSSR, Soviet Troops on Joint Maneuvers
*OW290335 Beijing XINHUA in English 1654 GMT
28 Mar 88*

[Text] Prague, March 28 (XINHUA)—A Czechoslovak motorized battalion and 2 Soviet divisions with more than 400 tanks and 32 helicopters took part in joint maneuvers from March 22-28 in northwestern Czechoslovakia.

Forty-three observers from 22 countries viewed the maneuvers and for the first time were allowed to use cameras and telescopes to watch up-to-date Soviet T-72 tanks and talked freely with soldiers and officers taking part in the military exercise.

Czechoslovakia plans to carry out three maneuvers this year, in the first of which Czechoslovak troops will independently carry out a division-level tactical maneuver called "Sumava"

Warsaw Pact Foreign Ministers Meet in Bulgaria
OW290600 Beijing XINHUA in English 0230 GMT
29 Mar 88

[Text] Sofia, March 28 (XINHUA)—Soviet Foreign Minister Eduard Shevardnadze today briefed his Warsaw Pact counterparts on recent talks with U.S. President Ronald Reagan, the official Bulgarian news agency BTA reported today.

Warsaw Pact ministers from Bulgaria, Czechoslovakia, Democratic Germany, Hungary, Poland and Romania expressed satisfaction with the results of Shevardnadze's March 21-23 Washington trip. They added their support to a Soviet proposal that a treaty calling for a 50-percent cut in strategic arsenals be completed at the upcoming U.S.-Soviet Moscow summit, BTA said.

The foreign ministers of the seven Warsaw Pact countries said that efforts to reduce the number of troops and conventional weapons in Europe were of great significance, according to BTA.

Moscow and Washington are negotiating a 50-percent reduction of their strategic nuclear weapons in Geneva, following last December's conclusion of the treaty to eliminate their intermediate-range nuclear forces (INF).

The Soviet Union has said that the strategic arms treaty should be signed during Reagan's trip to Moscow in May, but the United States says the Moscow summit can be held even if the treaty is not ready by then.

Shevardnadze reportedly spent his three days in Washington talking with Reagan and U.S. Secretary of State George Shultz about the strategic arms pact, but some problem areas still must be resolved for the treaty to be ready for signing during the scheduled summit, the fourth between Reagan and Soviet leader Mikhail Gorbachev.

Yugoslav Magazines Criticized for 'Rumors'
OW290556 Beijing XINHUA in English 0223 GMT
29 Mar 88

[Text] Belgrade, March 28 (XINHUA)—The Yugoslav weekly magazines "MLADINA" (YOUTH) and "NO-VAREVIJA" (NEW OPINION) have been sharply criticized for "spreading reactionary rumors" that attack the Yugoslav People's Army and split the country.

Yugoslav Defense Minister Branko Manula told the Military Defense Committee last Friday that the frequent attacks against the Yugoslav Army by some elements of the press were aimed at ruining the reputation of the Armed Forces and undermining their unity.

Such articles incited each republic and autonomous region to replace the People's Army with its own troops, thus splitting Yugoslavia, the defense minister added.

In the last few months, some Yugoslav newspapers and magazines have issued articles describing the People's Army as an "occupation army" and a "product of militarism."

The articles also accused the Army of being "alienated from the people" and "attempting a military coup."

The Federal Presidium held a special meeting in mid-February and urged measures to stop the magazines' "anti-revolutionary" activities.

Last week, the country's leading newspaper "BORBA" said that the "the reactionary opinions" of some press articles have not differed from those of the two anti-Yugoslav exile organizations abroad.

Meanwhile, Jozse Smole, president of the Slovenian Socialist Federation, said that the articles in "MLADINA" have "caused political losses to Yugoslavia and Slovenia."

Latin America & Caribbean

Party Ties With Argentine Communists Restores
OW261109 Beijing XINHUA in English 1103 GMT
26 Mar 88

[Text] Beijing, March 26 (XINHUA)—The Chinese and Argentine Communist Parties have restored relations after a break of 28 years.

Welcoming the move Hu Qig, Standing Committee member of the Political Bureau of the CPC Central Committee, told a delegation from the Argentine party today that it is best to let bygones be bygones.

Hu told the delegation led by General Secretary Athos Fava that the two parties could develop relations on the basis of independence, full equality, mutual respect and non-interference in other's internal affairs.

Fava said the Argentine communists have longed for a restoration of relations with the Chinese communists and now that has been realized.

"We sincerely wish the Chinese people great success in their reform and open policy," he said.

XINHUA Opens Office in Rio de Janeiro
OW250739 Beijing XINHUA in English 1922 GMT
24 Mar 88

[Text] Rio de Janeiro, March 24 (XINHUA)—The Chinese XINHUA NEWS AGENCY inaugurated a branch office here Wednesday to extend its news coverage in Brazil.

An opening ceremony for the new office was attended by Tao Dazhao, the Chinese ambassador to Brazil, and by approximately a hundred personalities from political, economic and cultural circles.

A XINHUA branch office was opened in Brasilia in 1980, and it still will be the news agency's principal office in the country.

Sports Delegation Arrives in Cuba for 3-Day Visit
OW290137 Beijing XINHUA in English 1721 GMT
28 Mar 88

[Text] Havana, March 28 (XINHUA)—A Chinese sports delegation led by vice minister of the Chinese Physical Culture and Sports Commission Xu Yinsheng, arrived here today.

The Chinese delegation is in Cuba for a 3-day visit at the invitation of the Cuban National Institute of Sports, Physical Education and Recreation.

Reynaldo Gonzalez, first vice president of the institute, and other officials were at the airport to meet the delegation.

Chinese Ambassador to Cuba Tang Yonggui was also present.

The Chinese delegation will meet with Cuban officials of the institute and visit several sports institutions.

A sports exchange protocol for 1988 will be signed between the two countries.

Further Reportage on First Session of Seventh NPC

Dissent Marks Committee Selection

OW290801 Tokyo KYODO in English 0724 GMT
29 Mar 88

[Text] Beijing, March 29 KYODO—The Chinese state-controlled media Tuesday gave prominent play to a rare expression of dissent at the national legislature in a sharp departure reflecting the current official policy for greater candidness.

The dissent was expressed by the casting of negative votes or outright abstention and came at a plenary session of the current National People's Congress Monday to appoint NPC committee members.

"I almost missed the story," confessed Fan Rongkang, a veteran PEOPLE'S DAILY reporter. His story on the first expression of dissent in the current NPC session was carried in Tuesday's PEOPLE'S DAILY, the official Chinese Communist Party newspaper.

Fan said he hardly expected dissent at the committee selection procedure since "this sort of thing is usually approved unanimously."

Huang Shunxing, 65, a former Taiwan lawmaker who returned to China in 1985, triggered an avalanche of dissent when he challenged the nomination of an 89-year-old deputy to head the 30-member NPC Committee on Education, Science, Culture and Public Health, as being too old to do the job.

The committee was one of seven select panels created by the Congress, which is holding its annual session at the Great Hall of the People. The meeting, which opened last Friday, is scheduled to run for 20 days.

In reporting the day's NPC proceedings, the PEASANTS' DAILY, a newspaper specializing in agricultural affairs, said it was the first time that an NPC deputy spoke out against a motion.

The official XINHUA NEWS AGENCY also carried a report on the vote Monday as did the state controlled television and radio stations.

The spate of media reports was in sharp contrast to local press reaction in April last year when it pointedly ignored a rash of negative votes cast during a National People's session [as received] held then.

The change of reporting style came two weeks after Party chief Zhao Ziyang called for greater openness in party and state affairs.

Zhao, China's preeminent champion of reform, made the call before the Party's ruling Central Committee which held a five-day session March 15-19 to set the stage for the current NPC meeting.

Huang, one of the eight deputies who raised their hands to express dissent over the selection of the NPC education committee, drew a swarm of local reporters after the vote.

In an interview in the YOUTH DAILY, Huang said he was not surprised at the excitement of the local press over the incident.

Dissent "is still very rare (in China) and people are still very excited about it," Huang told the newspaper.

Huang's move apparently promoted further dissent which included 69 deputies who raised their hands to express abstention in the education committee vote.

Before the vote on the selection of the education committee, there was only one abstention from among the 2,857 deputies who voted on the selection of three other committees.

After Huang spoke, 12 deputies raised their hands to express abstention while another one objected to the selection of the Overseas Chinese affairs committee.

None of the seven committees was approved by a unanimous vote, XINHUA observed in a dispatch Monday.

Peng Chong Actions Queried

HK291454 Beijing ZHONGGUO XINWEN SHE
in Chinese 1330 GMT 29 Mar 88

[Report: "Some NPC Deputies Query Peng Chong's Speech at the Third Meeting of the Current NPC Session"]

[Text] Beijing, 29 Mar (ZHONGGUO XINWEN SHE)—After the conclusion of the third meeting of the First Session of the Seventh NPC, some deputies of the Zhejiang delegation queried the speech by NPC Standing Committee Vice Chairman Peng Chong at the meeting.

At that meeting, when the namelist of the Education, Science, Culture, and Public Health Committee was to be passed, some deputies aired their opinions on some candidates of the committee. Peng Chong, who was the executive chairman of the meeting, said that these opinions will be submitted to the Seventh NPC Standing Committee through the current congress Presidium for making further studies and changes in light of the NPC Organic Law.

Some NPC deputies held that Peng Chong said this without legal foundation. According to the stipulations of Articles 57, 65, and 69 of the Constitution, the NPC is the highest organ of state power and has the power to

elect and to recall members of the NPC Standing Committee; while the Standing Committee is only answerable to the people's congress and reports on its work to the congress. Meanwhile, the NPC Organic Law also stipulates in Article 35 that "when the congress is not in session, the NPC Standing Committee can appoint additional vice chairmen or members to the special committees." So, the Standing Committee will have no power to appoint Zhou Gucheng to be committee chairman. Moreover, since the congress has passed the namelist of various committees, the Standing Committee and the current congress Presidium also have no power to make any change.

Some deputies held that when the people's congress is in session, if a large number of deputies do not agree with the proposed namelist of a certain special committee, according to the NPC rules of procedure, they can first raise a motion of amendment to the congress. The congress should first put the amendment motion to a vote, and then put the namelist of the special committee to the vote according to the results of the first vote.

Delegates Use Functions, Powers

HK290631 Beijing ZHONGGUO XINWEN SHE
in Chinese 1448 GMT 28 Mar 88

[Text] Beijing, 28 Mar (ZHONGGUO XINWEN SHE)—The NPC delegates have aired frankly differing views, making the Second Plenary Meeting of the Seventh NPC more lively, with repeatedly high tides.

The main item on the agenda of today's plenary meeting is to decide the candidates for the seven special NPC committees. In voting for the first committee, the Nationalities Committee, there was one abstention, which was made by Liu Yiu-chu, Basic Law Drafting Committee member from Hong Kong Special Administrative Region. She said that since she had little knowledge about the candidates she could not just follow the others blindly.

When voting for members of the Education, Science, Culture, and Public Health Committee, Peng Chong, the executive chairman who presided over the meeting, asked the delegates to give their opinions. Huang Shunxing, former member of the Legislative Yuan in Taiwan and now advisor in the Chinese Academy of Agricultural Sciences, then took the floor. He said: Much headway has been made in China's efforts to lower the age of its cadres which is much appreciated both at home and abroad. Therefore, it is necessary to provide more opportunities for the younger generation to develop their abilities. He held a different opinion on nominating 89-year-old Zhou Gucheng as chairman of this committee and suggested the meeting nominate another candidate so that Mr. Zhou Gucheng could have a good rest. Zhejiang delegate Qian Li then proposed that the committee should have more members from the medical sciences circle, especially the Western medical sciences circle. Before the voting, Peng Chong said that the

opinions of Huang Shunxing and other delegates would be submitted by the Presidium of the meeting to the Seventh NPC Standing Committee, which would emerge soon after the meeting, for further consideration. When voting for the members of the Education, Science, Culture, and Public Health Committee, there were 8 negative votes and 69 abstentions.

When voting for members of the Overseas Chinese Committee, Heilongjiang delegate Gu Xuanhui and Zhejiang delegate Wu Dongchai proposed that there should be more members from Hong Kong, Macao, and Taiwan on this committee. Chen Zongji, one of the candidates for vice chairmen of the committee, also offered different views. He said: The members of the Overseas Chinese Committee should at least be qualified in the following two respects: first, they should understand the policies on affairs concerning Chinese nationals living abroad and second, they should have a deep affection for Overseas Chinese. However, for some nominated members, we do not see that they meet these requirements. Two abstentions appeared in the vote for members of this committee.

All the name lists of members of the seven NPC special committees got through at the meeting, but none of them was passed unanimously without objection.

Deputy Explains Dissent

HK290353 Hong Kong HONGKONG STANDARD
in English 29 Mar 88 pp 1, 2

[By Yau Shing-mu of China Desk in Beijing]

[Text] Hong Kong lawyer Miss Liu Yiu-chu consistently abstained from voting in elections for seven National People's Congress committees yesterday, saying she could not accept the nomination procedure.

Her actions kicked off a display of dissent among NPC deputies against "pre-fixed" candidates for the committees, which sent a shock wave around the hall.

Miss Liu, a new deputy to what is in effect China's parliament, said: "I do not know how the lists of candidates were formulated, nor do I know the criteria for choosing them.

"As a deputy I think I should have such information and clearly know what the procedure is."

Miss Liu abstained from voting in the first election for the Presidium in the preparatory meeting of the NPC last week for the same reasons.

It had no effect on the outcome of the elections but the scale of yesterday's dissent was unprecedented in the history of the law-making body which has long been regarded as little more than rubber stamp.

Extraordinary scenes ensued when the executive chairman of the NPC Presidium, Mr Peng Chong, called for votes on the establishment of committees.

For one committee election alone, there were 69 objections and eight abstentions, and all the votes were marked at least by abstentions. Until two years ago, all motions met unanimous support by a show of hands and applause.

Miss Liu's right hand was first in the air when Mr Peng asked if there were any abstentions. It immediately caught the flashlights of the photographers nearby and then the attention of other deputies and the Presidium.

She told the press afterwards: "Deputies should have the right to nominate. But we haven't had a chance to do that."

She said she held no strong objection to the candidates themselves—some of them she knew personally were quite good. But, she said: "For those I don't know, I can't judge if they are the right people."

"We were given three choices: support, objection or abstention. I found abstention was the only way. Otherwise, I have no way to account for my choice," she said.

Another Hong Kong deputy, Dr Zee Sze-yong, abstained from voting in the election for the Education, Science, Culture and Public Health Committee—the vote which saw seven other abstentions and 69 objections.

As the show of dissent grew and continued, deputies began exchanging words and murmuring.

The atmosphere reached up to a climax when a Taiwanese deputy, Mr Huang Shunxing, stood up to ask for the retirement of the 89-year-old head of the committee.

Mr Huang, a committee member-elect, said: "To let the younger generation be the successors and give them a chance to train at the top level—and allow the 89-year-old member to have more time to rest—I propose that the nomination be redone."

Mr Huang drew a burst of applause from across the auditorium as he made his call.

In all cases, the candidates were fixed in advance by the Communist Party. The party-dominated Presidium then asked the congress for nominal approval.

Ordinary members of the NPC are generally excluded from consultation conducted by the communists with other parties concerned.

Although this was not the first time objections had been raised in the NPC, it was the first time that deputies had been given the chance to explain their stand.

The official XINHUA NEWS AGENCY said it was the first time in the NPC's history that not a single committee had been elected unanimously.

Miss Liu was the first to display her reservations openly about the voting, and she kept stealing the limelight.

Li Peng Invites Opinions on Report

OW281624 Beijing XINHUA in English 1556 GMT
28 Mar 88

[Text] Beijing, March 28 (XINHUA)—Acting Premier Li Peng today invited Beijing deputies to the National People's Congress (NPC) to air views on how to revise the Government Work Report he delivered Friday.

The report to the current annual session was written after soliciting opinions from members of the National Committee of the Chinese People's Political Consultative Conference, and leaders of the democratic parties and mass organizations, Li told the NPC's Beijing delegation here this afternoon.

Hu Dapeng, vice-president of the National Self-Employed Workers' Association, said that individual workers now face the problem of excessive taxes and extortion, which dampens their initiative.

"I think a law on private businesses should be enacted to protect the interests of self-employed people," he said during a panel discussion together with acting premier Li Peng.

Yan Renying, honorary president of the Beijing Medical University, urged the government to pay due attention to the health of women workers in the rapidly-growing rural factories.

She said: "Under the piecework system, pregnant women workers in some rural factories do too heavy labor, resulting in premature deliveries."

Hu Yamei, director of the Beijing Children's Hospital, stressed the need to pay close attention to babies' and infants' medical care in an effort to improve the population's qualities.

Li Weikang, director of the China No 2 Beijing Opera Troupe, proposed speeding up the reform of the cultural structure.

She said, "After hearing Acting Premier Li Peng's Government Work Report, I know our government has too many things to attend to. I find it embarrassing to ask our government to invest more in cultural undertakings."

Li, who is also a popular actress, said that the ancient Beijing Opera is now in decline. She urged the government to encourage national culture.

Li Peng told her that Culture Minister Wang Meng had just talked to him about a tentative plan for reform in the field of art and literature, which is under serious consideration.

Some 20 Beijing deputies from such fields as industry, agriculture, commerce and education spoke at the two and half hours' panel discussion.

Li Peng said some of the criticisms and suggestions are fresh to him. Many things require thorough study. Problems crop up in the course of reform, and can be solved only through reform, he added.

The acting premier stressed that solution to the problem of price rise requires efforts by all.

Turning to Beijing Mayor Chen Xitong by his side, Li said that as a Beijing citizen, he proposed the city plant more vegetables, develop a number of vegetable bases and set up more such bases on the outskirts.

"If the supply of most consumed vegetables is guaranteed, the problem of vegetable shortage will be solved easily," Li added.

He suggested different localities give subsidies to the local residents in line with their actual conditions.

He said key to checking price rise lies in accelerating economic development through reform.

Meets With Beijing Delegation

*OW281836 Beijing XINHUA Domestic Service
in Chinese 1618 GMT 28 Mar 88*

[By reporters Li Zhigao and Xu Xiaoping]

[Excerpts] Beijing, 28 Mar (XINHUA) — Acting Premier Li Peng attended the discussion of the Beijing Delegation to the First Session of the Seventh NPC this afternoon, and invited the deputies to air views, suggestions, and requests.

Speaking at the discussion as a member of the Beijing Delegation, Li Peng said that his Government Work Report to the current NPC session was written after soliciting opinions from various circles, reflected the painstaking efforts by all, and therefore, was a "collective work." In spite of this, he invited the deputies to air views to supplement the report. [passage omitted]

During the discussion, which lasted about 2 hours, about 20 deputies from the capital's industrial, agricultural, commerce, and educational establishments spoke.

While listening to the speeches, Li Peng took notes. Then, he said: "Thank you for your opinions on the Government Work Report. Some the problems you discussed are fresh to me, and others are already known. Many things require thorough study."

He said that problems crop up in the course of reform, and can be solved only through reform.

On the pricing problem, the acting premier said: This is a problem of concern to all and should be solved through accelerating economic development through reform. [passage omitted]

Li Peng said: In recent years, Beijing has built quite a few guesthouses and hotels. It is necessary to limit the construction of high grade guesthouses and hotels, and map out a comprehensive plan for building high, medium, and low grade guesthouses.

In conclusion, Li Peng said: The state finance depends on the development of production in industry and other sectors of the economy, on better economic efficiency, and on expansion of production forces.

Li Joins Jilin Discussions

*OW291134 Beijing Domestic Service in Mandarin
0900 GMT 29 Mar 88*

[Text] Li Peng, a Seventh NPC deputy and acting premier of the State Council, this morning visited the Jilin delegation to attend a panel discussion and hear views of the Jilin deputies on the report on the work of the government. He said: I was a deputy from Jilin when the 13th National CPC Congress was held. I participated in various panel discussions to debate issues all the time. In addition, I worked in Jilin for 5 years. I feel, I am somewhat obliged to hear views of the Jilin deputies.

Hearing that Comrade Li Peng was coming to attend the panel discussion and solicit views, the Jilin delegation mobilized all its members to form a group meeting. Scores of members from Jilin vied with one another to express their views to Acting Premier Li. Taking notes while listening to the members, Comrade Li Peng attentively heard their views. Sometimes, he also cut in, answering questions raised by the deputies.

On adopting a more flexible policy in dealing with scientific and technical personnel, Li Peng said: No policy is a perfect one from the very beginning. Most importantly, our policy is aimed at increasing salaries of intellectuals. More important is the fact that we hope to turn our achievements in science and technology into a part of the productive forces as soon as possible by expanding the areas where science and technology play an important role. He pointed out: As far as the long-term interests of the state are concerned, we must attach importance to the study of basic sciences. However, right now, we must properly adjust the ratio between the study of applied sciences and that of basic sciences so as to meet the needs in carrying out reform and construction at the present time. From now on, we must implement the bidding system in conducting basic research and in developing or studying applied sciences. We must not practice egalitarianism by eating from the same big pot, so to speak.

On the issue of pollution in Jilin City, Li Peng said: I understand that tremendous changes have indeed taken place in the city. However, pollution is also serious in the city. Jilin has a fairly large appropriation for urban construction as compared with other medium-sized cities in the province. I suggest that the city government spend more money on pollution control.

At the end of the meeting, Li Peng said: I heard many splendid views today. I like to thank you for all this. I hope you will join efforts in making this NPC session a success.

Editorial Calls Report 'Refreshing'

HK260327 Hong Kong SOUTH CHINA MORNING
POST in English 26 Mar 88p 14

[Editorial: "A Frank Appraisal of the Difficulties Ahead"]

[Text] Acting Premier Li Peng has gone beyond the usual platitudes in his opening address to the Chinese parliament. While he envisions a colossal nation growing economically by 7.5 percent per annum during the next five-year plan, Mr Li also speaks of the myriad difficulties besetting the country. These problems have been cited at length by the Western and, increasingly, the domestic Chinese media. But to hear that candid litany from a top leader of a once-cloistered China is as refreshing as it is heartening.

In the frankest official appraisal of China to date, Mr Li acknowledges the danger of inflation, the declining living standards for some urban dwellers, the sheer greed of certain entrepreneurs, the fallibility of bureaucracy, lawlessness in some quarters and the crass excesses of certain cadres. To heal the illness, the doctor must first diagnose the disease.

The report to the National People's Congress (NPC) notes that agricultural self-sufficiency is the key to the modernisation of a country where 85 percent of the population still lives on the farm. Perseverance tempered by moderation has been made the theme of the current assembly. The call to boost the grain harvest shows that these technocratic leaders have not forgotten the basics, even if they do count on industries to bring their people a better life. The appeal for democracy, rectitude and judicial prudence proves that the Government understands the dynamics of a progressive society where the rights of individuals need to be vigorously defended. The absence of ideological harangues and idle boasts, characteristic of past deliveries, in the policy speech illustrates a new confidence in the country. The slowly emerging spirit of tolerance in China, which contrasts so strikingly with the xenophobia of old, should spur on progress in other spheres.

The Acting Premier has reassured Hong Kong and Macao that China would abide by the "one country, two system" pledge made by the retired Mr Deng Xiaoping. Aware of the fluttering disquiet in these two territories,

Mr Li has staked the prestige of his office on Mr Deng's historic promise as well as on the two treaties to ease the return of Hong Kong and Macao to Chinese sovereign control as autonomous entities before the turn of the century. Such a conciliatory gesture has also been extended to Taiwan. While this overture is not in itself new, it has nevertheless reaffirmed Beijing's intention to invite Taipei back into the national fold.

The difference between China today and in the past is fundamental. As the Government grapples with the mundane but practical issues of economy, politics, technology and defence, its pragmatism should be appreciated by all, including those who ordinarily loathe communism. The famous Mr Deng axiom that "it does not matter what the colour of the cat is, so long as it catches mice" is being given new credence at the NPC.

China wishes to project itself as a guardian of stability and international co-operation. The current NPC is being hailed as the brave opening of another phase in the development of a modern country, and the content as well as the tenor of Mr Li's address are a confirmation of that trend.

Report 'Generally Well Received'

HK260339 Hong Kong HONGKONG STANDARD
in English 26 Mar 88 p 5

[Text] Acting Premier Mr Li Peng's address to the National People's Congress was generally well received in Hong Kong yesterday. Local observers thought it was "pragmatic and expected".

Most are aware of differences between Mr Li and party boss Mr Zhao Ziyang over the pace of reforms. Now they see Mr Li as having succeeded in scaling down Mr Zhao's ambitions.

A China watcher and columnist, Mr Chow Lo-yat, said it was good to see a balance of power between the progressive leaders, represented by Mr Zhao; and the prudent camp, headed by Mr Li.

"Mr Li has balanced Mr Zhao very neatly. Mr Zhao's proposals were too hastily formulated and aggressively put, sometimes even wrongly done," he said.

Mr Chow said he welcomed the caution shown by Mr Li: "It is obvious that Mr Li's line is more conservative. But his prudent and cautious approach will help to stabilise the economy," he said.

Mr Chow believes that the direction of economic reforms will not be threatened by the conservatives. "Mr Li is now acting as a devil's advocate to Zhao's proposals," he said.

"First of all, Mr Zhao is still the party secretary, the paramount leader. But most important of all, he is backed by China's strongest man, Mr Deng Xiaoping, who was the original architect of the progressive economic reforms," he said.

Mr Chow believes Mr Li is conservative on political reforms because he was very concerned with the economic reforms.

Mr Lee Kwok-keung, chief editor of the WIDE ANGLE, said the small proportion of Mr Li's report on political reforms did not indicate a brake on the reforms.

"The political reforms cannot be accomplished overnight. Mr Li's report reaffirms reform of the government machinery, it shows that the reforms are being implemented," said Mr Lee.

Dr Kwok Siu-tong, lecturer at the History Department of the Chinese University, said it was sensible to give economic reforms a priority in the government work report.

Describing the report as "pragmatic and practical", Dr Kwok praised the great emphasis on education and technological improvement.

But he is critical of Mr Li's references to Tibet, saying they were "too superficial and meaningless", adding: "The Chinese government should have a thorough review of its nationality policy. It should not make mere propaganda comment without finding out the roots of the problems."

Banqen Lama Denounces Repression

*HK291150 Hong Kong AFP in English 1145 GMT
29 Mar 88*

[Text] Beijing, March 29 (AFP)—The Banqen Lama, the second highest Tibetan spiritual authority, Tuesday denounced the suggestion that there should be harsh repression of nationalists in Tibet after a series of riots there.

"I have heard it said that (the riots) were provoked by incorrect opinions of the Tibetans. Some say it is necessary to repress the Tibetans to make them wise. That's a big mistake," he said during a discussion by Tibetan delegates at the National People's Congress (NPC) here.

"There are people who think it is necessary to strike down the lamas (Tibetan monks) and destroy the monasteries. We must not fall back into the errors of the past," he told Western journalists authorized to attend the debate.

There were people in China who did not think religion was necessary at all, added the Banqen Lama, a vice-chairman of the NPC.

A pro-independence riot during a religious festival in the Tibetan capital of Lhasa on March 5 left at least eight people dead, according to witnesses. The official toll was one dead and more than 300 injured.

The Banqen Lama said at the end of the debate that four people had died in the riot, which followed similarly violent protests in September and October, which left between six and 13 people dead.

The Banqen Lama is second to the Dalai Lama, who fled into exile in India in 1959, in the Tibetan religious hierarchy.

Analysts said his remarks were aimed at a portion of the Communist Party leadership who favour a strong handling of the situation in Tibet.

Hong Kong, Macao Group View Report

*HK290705 Hong Kong ZHONGGUO TONGXUN SHE
in Chinese 1428 GMT 28 Mar 88*

[Report by Zou Zongbin (6760 1755 1350)]

[Text] Beijing, 28 Mar (ZHONGGUO TONGXUN SHE)—The Hong Kong and Macao NPC group discussed Li Peng's "Government Work Report" this afternoon. A relatively large number of views were aired by the deputies on such problems as the succession of train accidents, education, news reform, the reform of the NPC itself, and so forth.

Deputy Cheng Yiu-tong said: Mainland laws on news and publishing have an effect on the future of Hong Kong. I am greatly concerned over conditions formulating the relevant laws, and extremely dissatisfied that my words were taken out of context by a certain news agency yesterday. He had said: The NPC session handed over the text of Li Peng's "Government Work Report" to the deputies beforehand and this was very good. But the reports by Yao Yilin and Wang Binqian were not available until after the session opened and I am dissatisfied with this. But the news agency reported only the first part and not the second part of what he said.

Cheng Yiu-tang said: The motions that deputies should know about one month in advance according to NPC organization law, were all only made known just before the session. Even the procedures for the NPC session are known to me only through reading WEN WEI PO. This is really something strange!

In addition, he said that it is not just during the NPC session when NPC deputies have the power to supervise government operations. How are the deputies to play their role after the end of the session? He said he did not know, but he opined that the government organs should undergo reform. Those people with government power concentrated in them must first subject themselves to transformation. He said that the NPC has not normally

exercised supervision over the government. For example, how were the money and things contributed by people all over the world, including the people of Hong Kong, for the relief of the victims of the Greater Khingan Mountains distributed? The government did not report the matter, nor did the NPC look into it.

Deputy Chen Hong said that the series of train accidents showed that not only was there a transport problem involved but there were many factors behind it, such as morality, education, the system, and so forth. He doubted whether the present railway contract system could work. He said that railways were contracted out to those peasants who know nothing about railways and did not know how to operate them. Some people had no morality and removed the screws from rails. To save money, some contractors did not replace outdated equipment. All these factors served to cause more accidents.

Many deputies said that there had been plane crashes in the past. People considered that it would be safer to travel by train. Now, there had been a series of train accidents. This had an extremely serious effect on exchanges with foreign countries and the development of the mainland tourist industry. But the Government Work Report did not make an analysis and an explanation of the relevant accidents.

Deputy Ng Hong-man chiefly suggested that education should be given realistic and adequate attention. He said that judging from the report, the development of science and technology was given relatively concrete and urgent attention. But the talk about the development of education was of a sweeping nature, leaving people with the impression that it was nothing but a slogan being mouthed.

Zee Sze-yong, Lee Lin Sang, Lisa Wang, Wang Kwong-hong, Liu Yiu-chu, Ho Hau-wah, and many other deputies aired views on such problems as unhealthy practices, the reform of new and old systems, cultural exchanges, the great international circle, and so forth.

Qinghai Deputies on Development

*HK290333 Xining Qinghai Provincial Service
in Mandarin 2300 GMT 28 Mar 88*

[Excerpt] The Qinghai deputies attending the First Session of the Seventh NPC have aired their views on studying Acting Premier Li Peng's Government Work Report. Huanjuecailang, leader of the provincial delegation, said: Acting Premier Li Peng's report put forward the issue of speeding up the implementation of the economic development strategy for the coastal regions. This is a major issue related to the overall situation in China's four modernizations and the entire national economic development. The situation is pressing us to advance. We must fully seize the current favorable opportunity to promote Qinghai's development, reforms, and opening up to a new stage. In policy, we should give the green light

for vigorously developing an export-oriented economy, explore and choose as soon as possible our local economic development strategy, and produce more and better products for earning foreign exchange from exports and goods with a ready market, to speed up the province's economic development.

Deputy Zhaxi Wangxu said: In implementing the tasks proposed by the Government Work Report, I hope that the people of all nationalities throughout the province will further emancipate their minds and institute omnidirectional reform and opening up. The provincial authorities should adopt still more special and flexible policies and measures to bring in technology on a large scale, and attract talented people, so as to speed up reforms and opening up. [passage omitted]

Sichuan Urges Interior SEZ

*HK290311 Chengdu Sichuan Provincial Service
in Mandarin 0100 GMT 29 Mar 88*

[Text] According to SICHUAN RIBAO, Zhang Qing-shou, manager of the Sichuan Provincial Bank of Commerce and Industry, has proposed that Sichuan be made the first special economic zone [SEZ] in the interior. He put forward this general idea when the NPC deputies started to discuss Acting Premier Li Peng's Government Work Report on the afternoon of 26 March: The great international circle has brought the opportunity for a flying leap in the economy of the coastal regions; what should Sichuan do now? Comrade Li Peng said in his report that the interior should take the opportunity of the development of export-oriented economy in the coastal regions to promote its own economic development. And Sichuan is most representative of the interior economy. It covers a vast area, possesses abundant resources, and has great potential for economic development. With the coastal areas joining the great international circle, the interior economy [words indistinct]. The coast and the interior should stimulate each other's development; we cannot let the gap between the two grow ever wider. Since the coastal regions already have special economic zones, the interior [words indistinct]. If such a special economic zone is successful, it will provide important experience for the whole country.

This general idea has evoked a strong response in the Sichuan delegation and has gained the support of more deputies.

Coastal Area Deputies on Economy

*OW290132 Beijing XINHUA Domestic Service
in Chinese 2359 GMT 27 Mar 88*

[Newsletter by XINHUA reporter Xu Yaozhong: "Facing the Opportunity for Invigorating the Economy—Sidelights on the First Session of the Seventh NPC"]

[Excerpts] To implement the strategy for developing the coastal areas is an important matter related to the prosperity of the Chinese nation. How can we implement the

strategy, take advantage of the opportunities on the international market, and speed up the development of the export-oriented economy? Deputies from the coastal areas to the First Session of the Seventh NPC have warmly discussed this issue.

Emancipate the Mind Further [subhead]

On this point, deputies held almost unanimous views.

Deputies from Jiangsu, Zhejiang, and Shandong held that people have, indeed, fairly emancipated their minds in recent years. However, they still fail to break the shackles of old conventions, and their minds are far from being emancipated adequately, as can be seen from their attitude toward implementing the economic development strategy in the coastal areas and speeding up the development of the export-oriented economy. Our cadres are still affected by many old concepts. Some of them are intoxicated with such achievements as prize-winning products or brisk sales of some products in their local areas, and are complacent with their "outstanding performance" on the domestic market. They have no ambition to hold sway over the international market. Some of them think that they just do not have the necessary conditions to develop the export-oriented economy, that they lack information and are unfamiliar with management, that they have difficulty accomplishing something great in this regard, and that they may lose money if something goes wrong. Overwhelmed with anxieties, some of them fear that the preferential policy toward "wholly foreign-owned ventures, Sino-foreign joint ventures, and Sino-foreign cooperative ventures" will benefit foreigners; that the import of things useful to China from developed capitalist countries will corrode the masses; and that cadres going abroad to expand relations with foreign countries will create trouble. Their behavior has aroused the masses' criticism: Some cadres fear everything, but do not fear that their country will not become strong. [passage omitted]

Realize Three Changes [subhead]

We must pay attention to domestic work and strengthen our country's economic power so that we can implement the strategy of developing the coastal areas and take advantage of the opportunities on the international market. We will be unable to compete on the international market without exporting a large number of competitive products.

Deputies from Jiangsu Province believe that the urgent matter for us in carrying out the strategy for developing the coastal areas is to effect three changes:

We must stress economic results rather than growth in industrial development. In 1987, Jiangsu's total value of industrial output was 150 billion yuan, ranking first in the nation. Its industrial growth also led the nation in recent years. However, its leading indicators of economic results, which were at the average level in the

nation, have registered consecutive drops in recent years. To upgrade Jiangsu's industries and increase their competitive ability, we must give first priority to economic results, bring growth and economic results into balance, create a favorable macroscopic environment to allow enterprises to boost their economic results, control the growth of village and town enterprises, perfect the managerial responsibility system, introduce competitive mechanisms, and strengthen management.

We must change the domestic consumption-oriented economy into an export-oriented one. In recent years, Jiangsu Province has attained noticeable achievements in utilizing foreign funds, importing technology and raw and semifinished materials, and expanding exports. By the end of 1987, it had approved 1,002 cases concerning the use of foreign funds, established economic and trade relations with over 130 countries and regions, purchased 10.1 billion yuan of products for export, and earned more than \$2.1 billion in foreign exchange. However, Jiangsu's total amount of exports only accounts for about 9 percent of its GNP, and its products are not competitive on domestic and international markets. Many of its products sell well not because of their quality, but because of their low prices. This is a far cry from "putting both ends of the production process [the supply of raw materials and the marketing of products] on the world market" as demanded by the state. In order to meet the state's demand, we must make vigorous efforts to earn foreign exchange through exports, consolidate old markets, and continue to open up new markets. We must vigorously utilize foreign funds, make strenuous efforts to develop "wholly foreign-owned ventures, Sino-foreign joint ventures, and Sino-foreign cooperative ventures," and gradually readjust the foreign trade mechanism, making it work to the extent that enterprises can import a large volume of materials and export a large volume of products at any time and can integrate production with trade and marketing.

We must change labor-intensive industries to those that require the integration of labor with science and technology. At present, many products exported from Jiangsu Province are made by labor-intensive village and town enterprises. However, considering future development, we must make strenuous efforts to develop industries that require the integration of labor with science and technology. This will help strengthen the competitiveness of our products on the international market. Just as Governor Gu Xiulian mentioned, Jiangsu Province, with many schools of higher education and scientific research institutions, has good conditions for integrating economy with science and technology. As long as we adopt a policy of encouraging entrepreneurs and scientific and technological personnel to visit each other to promote the use of scientific and technological achievements, and have administrative units serve as a mediary between enterprises and research units, we can score early success in work in this regard.

PLA Deputies Air Concerns

HK290300 Beijing CHINA DAILY in English
29 Mar 88 p 4

[By Wang Gangyi]

[Text] In their first day of panel discussions, National People's Congress (NPC) deputies from the People's Liberation Army (PLA) offered their full backing for Acting Premier Li Peng's work report, while airing strong concerns over several problems that they say are hindering the PLA's development.

Describing the report as "an objective and realistic one that reflects the people's wishes," Han Huaizhi, deputy chief of the general staff, said Li neither overestimated China's achievements during the last five years, nor did he overlook such problems as price rises and government bureaucracy.

"This indicates that the government has the courage and confidence to solve the problems," he said.

Song Chengzhi, a retired general, said: "The report lists accelerated defence construction as one of the country's 10 major tasks in the next five years. This is an enormous encouragement to all officers and men of the PLA."

However, many deputies complained that people's national defence awareness has been weakened during the past few years and the Army has found it increasingly difficult to maintain soldiers' morale, improve their ability and cope with financial harassment from local government departments.

Chi Haotian, chief of the general staff, noted that in the last year alone, the Army was forced to "support" local urban construction projects, education development and social welfare items with several million yuan. "Constant money support demands have become an unbearable financial burden on the Army, which is already subject to a very tight national defence budget," he said.

Song Qingwei, political commissar of the Jinan Military Command, called for early approval of the draft law on the protection of military facilities to curb rising sabotage activities.

He disclosed that in his military command, as well as in other areas, army facilities and equipment have been deliberately destroyed by civilians who sell the parts on the black market for high profits.

Without exception, speakers at the discussion stressed the importance of enhancing people's national defence awareness.

Some of them suggested that special courses on national defence be offered in all cadre-training schools throughout the country.

Han Huaizhi said: "We must make the people realize that without a strong national defence and a strong army, there will be no reliable guarantee for the country's socialist construction and social stability."

Many deputies also urged ministers and vice-ministers, especially those whose work concerns the armed forces, to come to their discussions.

One deputy asked that the Minister for Civil Affairs join them and answer their questions concerning arrangements made for demobilized officers and soldiers.

Lu Liang, director of the LIBERATION ARMY DAILY, said NPC deputies are elected by the people. "They have much to say at the panel discussions on behalf of the people," he said.

"If ministers do not attend our panel discussions, how can they hear what we say?"

Composed of 267 members, the army delegation is the largest of all the NPC delegations. Before the current NPC session, which started last Friday, army deputies solicited opinions from among the country's about 3 million officers and soldiers about the country's political and economic reforms and army modernization. They plan to propose several motions during the current session.

PLA Deputies Offer Views

OW290644 Beijing XINHUA Domestic Service
in Chinese 0722 GMT 28 Mar 88

[By reporter Yang Mingqing]

[Text] Beijing, 28 Mar (XINHUA)—I have visited the place where the deputies to the First Session of the Seventh NPC are staying. On separate occasions, I called at the rooms of two deputies who are PLA platoon leaders and saw them freely discussing with their roommates, two group Army leaders, questions concerning the state's personnel arrangements, Army reform, and the building of PLA units.

The following information has been learned about the PLA delegation. The NPC deputies from the grass roots of the PLA have self-consciously freed themselves from the psychological hindrance of only acting as "students." Acting as masters rather than "decorations," they have boldly aired their views, made suggestions, and discussed state affairs and policies. At a panel discussion on the "Government Work Report," Zhang Maozhong, a squad leader of a PLA unit belonging to the Beijing Military Region, boldly expressed his views and offered a suggestion on how to gear up national defense construction without waiting for the gray-haired old Army leaders to speak first. At the meetings held by the PLA delegation, except for the deputy who was on the platform presiding over the meeting, all were seated together in the meeting hall. The "youngsters" from the grass

roots sat alongside the leaders of military regions and general departments whom they seldom meet on ordinary occasions, and they held discussions in an unconstrained manner.

The PLA is noted for its style of obeying superiors and respecting leaders. In the past when grass-roots comrades were seated with or holding discussions with leaders at various levels, they used to say "I have come here to learn" and exercise extreme caution in their words and behavior.

Many of the deputies to the current NPC session are from the grass roots. Among them are squad and platoon leaders, company commanders, company political instructors, battalion commanders, and battalion political instructors. Despite their shyness, shown deliberately or unconsciously, they have been influenced by the strong democratic atmosphere of the NPC session and, therefore, increased their courage about participating in political affairs, discussing government matters, and acting on matters of the country. In the past, the deputies' seats were arranged according to their official posts, and they took the floor in that order. In addition, the deputies from the grass roots were regarded as unimportant, and their words were given little or no attention. Although such a phenomenon still exists to some extent, there has been a change now.

It has been learned that most of the deputies from the grass roots are prepared to offer suggestions, express opinions, make interpellations, or put forth some proposals in one way or another at the current NPC session. Some are prepared to suggest how to conduct education to enhance the sense of national defense among people at all levels from the top down. Others want to propose the enactment and improvement of laws governing the relations between the Army and the government and between the Army and the people under the conditions of reform and opening up so as to settle disputes, if any, according to the laws and to promote Army-government and Army-people unity during the new period. Still others want to make interpellations on the statutes for officers' service or to express their views on the achievements and shortcomings in the reform of the Army. There are also some deputies who want to convey the voice of grass-roots comrades with regard to their living conditions and the questions of party style and social morality. Deputy Yang Chaofen, who is a political instructor of a PLA regiment on the Guangxi frontier, has learned the true opinions and demands of the commanders and fighters as well as the masses on the defense forefront by conducting investigations under the situation of frequent unexpected gunfire from Vietnamese troops. He said: In some places things were not done according to the law, and conscription was not carried out as stipulated in the Military Service Law. Some PLA units were not strict in enforcing the law, resulting in pernicious consequences and giving a bad impression to people both inside and outside the Army. If we view

these as exceptional cases involving the unhealthy practice of only a few units or individuals, obviously we cannot convince people. We must discover the cause in our system of conscription so as to plug the loophole radically.

To overcome the idea of serving as "decorations" and to act as the masters, deputies from the grass roots should not only make a psychological change, but should also have a higher level of political quality. They should break through restrictions, have the ability to look at the overall situation from a high position, and investigate and study the voices and opinions of the masses by going deep into reality. Some deputies who were elected just before the opening of the current NPC session did not have enough time to widely solicit opinions from PLA units and society. For this reason, their suggestions and opinions are mostly concerned with the work of their own units and have little to do with economic reform, and they do not have much to say. All this has to be improved and strengthened.

Guangxi Group Praises Report

*HK290727 Nanning Guangxi Regional Service
in Mandarin 1030 GMT 28 Mar 88*

[Excerpt] On the morning of 26 March, Guangxi deputies to the Seventh NPC session began to conscientiously examine and discuss the Government Work Report delivered by Acting Premier Li Peng.

The deputies noted: The Government Work Report summarized the past 5 years' brilliant achievements in promoting socialist construction scored by the Chinese people under the guidance of the line from the 3d Plenary Session of the 11th CPC Central Committee. It also summarized the existing problems and basic experiences gained over the past 5 years. It clearly put forward the objectives of the struggle to be waged during the next 5 years, as well as the guiding principles and tasks. This is a realistic and most heartening report.

According to the deep impressions the report has made on the deputies the report accorded with the real conditions and encouraged the people to work hard.

Deputy Wei Chunshu said: In the past 5 years China has achieved a political situation of stability and unity, constantly deepened reforms and opening up, and evidently accelerated economic construction, thus scoring great achievements. Just like other parts of China, Guangxi has made profound changes in its political life, ideological conditions, economic construction, social development, and the people's living standards. The total industrial and agricultural output value increased by 52.5 percent over the past 5 years. Of this, the total industrial output value increased by 90 percent. However, compared with other parts of China our region is still backward and still faces many problems. We must act in

accordance with the demands made by the Government Work Report, use reforms as the basis for overall planning, and promote reforms and construction in Guangxi.

Deputy (Wei Shurang) said: The Government Work Report ran through the theme of reforms and opening up. It encouraged the people to work hard. [passage omitted]

More Agriculture Investment Urged
*OW290353 Beijing XINHUA in English 1643 GMT
28 Mar 88*

[Text] Beijing, March 28 (XINHUA)—A Chinese agricultural expert today appealed for more investment in agriculture to enable to harvest 500 million tons of grain annually by the end of this century.

This appeal was made by Huang Shunxing of Taiwan origin, a deputy to the Seventh National People's Congress (NPC), while examining the Government Work Report delivered by Acting Premier Li Peng to the current NPC session Friday.

He also urged the Government to better coordinate the work of agrotech research institutes and train more agrotechnicians.

China's 1988 budget projects a 15 percent rise in expenditures for agriculture. "That's fine, but not enough," said Huang, 65, who served as a member of the "Legislative Yuan" in Taiwan for 8 years and returned to the mainland 3 years ago.

This is because most of the increased expenditures will be spent as subsidies for higher grain prices, and to farmers growing sugar-bearing crops or raising pigs, he explained.

"From a long-term point of view," he said, "providing subsidies is not a good method. The key lies in increasing agriculture's own vitality."

In the past 2 years, Huang visited villages in 20 provinces and autonomous regions. He found that some rural areas were short of such capital goods as chemical fertilizers, pesticides, and plastic sheets.

He also discovered that some provinces had diverted the funds for agricultural development to expanding rural factories or had cut back expenditures for agriculture.

Agricultural research institutes have few exchanges of information, resulting in redundant research projects and making it impossible to spread research results promptly. Some agrotechnicians have switched to other jobs because of low earnings.

Huang urged the Government, while increasing expenditures for agriculture, to take effective measures to make sure that such expenditures are really used for agriculture.

"While increasing production of chemical fertilizers and other capital goods, we must crack down on speculators and profiteers," he said.

According to Huang, the Government should streamline agrotech research institutes, and make unified arrangements for research projects.

He called on research institutes to exchange information in time to promote the spread of research results.

He proposed that the Government provide special subsidies and preferential treatment to those engaged in agricultural research and production.

Ji Pengfei Meets NPC, CPPCC Hong Kong Delegates
*HK260400 Beijing ZHONGGUO XINWEN SHE
in Chinese 0937 GMT 25 Mar 88*

[Report: "Ji Pengfei Calls on Hong Kong and Macao NPC Deputies, CPPCC Members"]

[Text] Beijing, 25 Mar (ZHONGGUO XINWEN SHE)—As they knew that Ji Pengfei, director of the State Council's Hong Kong and Macao Affairs Office, would call on the NPC deputies and CPPCC members from Hong Kong and Macao today, many Hong Kong and Macao reporters this morning came to cover this event very early.

At 0900, accompanied by Li Hou and Lu Ping, deputy directors of the Hong Kong and Macao Affairs Office, Ji Pengfei arrived at the guest house where the Guangdong delegation is staying. As soon as he stepped out of his limousine, he said hello to the reporters who had been waiting there for a long time.

This time, the NPC deputies from Hong Kong and Macao are staying in the guest house of the Central Organization Department. They talked with Director Ji in a plain meeting room. When learning that the deputies this time are not staying in a luxury hotel, Ji Pengfei smiled and said: "You are NPC deputies, so you may not mind the hardships here."

Ji Pengfei asked with deep concern why Deputy Fei Yimin had not come to Beijing, and asked Ma Wanqi about the living conditions of the deputies here.

Wang Minquan told Ji Pengfei that she had been elected as an NPC deputy for the first time. She wanted to know how to better perform her duties and have more knowledge about the actual situation, as the NPC only holds one session a year.

Ji Pengfei answered that deputies can make inspections and investigations in various aspects, and can give expression to the people's wishes.

Deputy Liao Yaozhu talked about the proposed direct elections to the Legislative Council in Hong Kong in 1991 and about the rumor that China and Britain had reached a tacit agreement on this. Ji Pengfei said we do not oppose elections, but the problem was that the Basic Law had not been formulated. Ji Pengfei also denied that China and Britain had any tacit agreement.

Deputy Xu Shixiong expressed his opinion that since Hong Kong will return to China in 1997, the Hong Kong Special Administrative Region should also have the right to elect NPC deputies, so that consideration may be given to candidates.

Director Ji said this is not a question we can consider now, and it should be considered only after 1997.

After leaving the guest house of the Central Organization Department, Ji Pengfei went to the Friendship Hotel. The CPPCC members from Hong Kong and Macao were holding a group meeting there, and were having a warm discussion.

Director Ji shook hands with all of them, and said the central authorities will attach great attention to your opinions. You should carry forward democracy, and can fully express your opinions.

Ji Pengfei added that the current NPC and CPPCC sessions are both of great importance. They will elect new leading bodies and will sum up the work in the past 5 years. New state leaders will also be elected. The meeting schedule in the coming 18 days will be strenuous and require hard efforts, but your tasks are glorious and you will not mind being busy.

Ji Pengfei said finally that he hoped all of them would enjoy their stay in Beijing and would have a good time during the meeting.

Sidelights on CPPCC Group Discussion

OW290001 Beijing XINHUA Domestic Service
in Chinese 0246 GMT 28 Mar 88

[Newsletter by XINHUA reporters Zhang Sutang and Zou Aiguo: "Frank and Lively Exchange of Views—Sidelights on Group Meetings of the Revolutionary Committee of the Kuomintang, the Democratic League, and the Democratic National Construction Association at the CPPCC Session"]

[Text] Beijing, 28 Mar (XINHUA)—A frank and lively exchange of views—this is the impression that reporters got when covering the CPPCC group meetings of the

Revolutionary Committee of Kuomintang, the Democratic League, and the Democratic National Construction Association on the morning of 25 March. [passage omitted]

The Revolutionary Committee of the Kuomintang: "Consultation Before Decision" [subhead]

At the group discussion on the second floor of the Guoyi Hostel, members vied with one another for the floor even before Jia Yubin, the meeting's chairman, had concluded his opening speech. The topic was how to strengthen the CPPCC's work of political consultation and democratic supervision.

"Consultation should be held before a decision is made and supervision is to be carried out in the course of implementation," said Chen Fangbo, a member from Xinjiang of the Central Committee of the Revolutionary Committee of Kuomintang. He said: During the past 5 years, the work of the CPPCC National Committee has indeed improved year after year. Members have become bold in making criticism, speaking their minds, and telling the truth. Certainly, this is only a beginning. [passage omitted]

The Democratic League: "Supervisory Powers Must Be Guaranteed" [subhead]

The league's group discussion was held in a conference room on the sixth floor. Committee members discussed the question of democratic supervision. Wu Xiuping, member of the league's Standing Committee and secretary general, said: Many correct suggestions of the CPPCC are rejected out of hand because of the negative comments by some people. This shows two things: First, the CPPCC's supervisory rights are not guaranteed or respected; second, the government has not truly subjected itself to supervision and its powers are not checked. He held that the ongoing session should place this matter high on its agenda. [passage omitted]

The Democratic National Construction Association: "Democratic Parties Must Also Raise Their Quality" [subhead]

The central topic in the fourth floor conference room was how to raise the quality of and inject new vitality into the various democratic parties in order to meet the requirements of the new situation.

Shortly after the meeting started, Feng Tiyun, vice chairman of the association's Central Committee, who was recently appointed vice minister of supervision, was congratulated by the participants on his appointment. Committee members were happy about the first post-"Cultural Revolution" appointment of a member of the democratic parties to a senior government position. Their common hope is that more members of the democratic parties will take part in state leadership work and

that the CPPCC's work of political consultation, democratic supervision, and participation in and discussion of state affairs will be regularized and institutionalized. [passage omitted]

Speaking of the need to greatly enhance the organization and political awareness, Feng Tiyun said: The association's specific tasks today are: First, bringing up its own backbone cadres and effecting the succession of young cadres to the old. Second, bringing up public servants needed by the state so that we can meet the demands of government at all levels when it needs personnel. He said he believes that members of the democratic parties will not only become vice mayors, deputy governors, and vice ministers in the next few years, but even ministers and vice premiers. Certainly, we must first have the ability. The urgent task at the moment is to raise our quality.

Nation's Courts Get 'Tougher' With Authority
OW231344 Beijing XINHUA in English 1315 GMT
23 Mar 88

[Text] Beijing, March 23 (XINHUA)—Over the past five years, China's courts at all levels have been successful in exercising their juridical authority guaranteed under the Constitution, contributing to the country's reform and open policy.

According to a Supreme People's Court official, between 1983 and 1987, China's courts handled 1.7 million criminal cases, 280,000 cases of economic crime, about one million economic disputes, and 4.63 million civil cases.

Since the second half of 1983, courts at all levels have gotten tougher on cases involving murder, rape, robbery, violence and gang fights, the official said, and this has been effective in maintaining public order.

Economic offenders guilty of embezzlement, bribery, smuggling and speculation now face stiffer penalties, the official said, and most of the serious economic crimes uncovered in the second half of 1984 and the first half of 1985 have been cleared up.

Special divisions to handle economic disputes have been set up in courts at all levels, and since 1983, these divisions have logged 360,000 cases, or nine times the 1983 figure, the official went on.

Cases involving marine and business disputes and economic affairs in foreign countries and Hong Kong and Macao have been on the rise, the official explained, and some new issues like copyrights, and portrait and property rights have also found their way into court.

China's courts now have special sections to handle disputes over administrative decisions, the official said, and citizen or organization who refuses to accept administrative decisions handed down by the government offices can appeal to these local sections as stipulated under the law.

Wan Li At Shandong Official Memorial Service
SK220747 Jinan DAZHONG RIBAO in Chinese
2 Mar 88 p 1

[Excerpt] Comrade Yang Jie, former member of the Shandong Provincial Advisory Commission, former director of the Shandong provincial agricultural office and secretary of the leading party group, died of incurable illness in Jinan on 18 February 1988 at the age of 74.

The memorial meeting for Comrade Yang Jie was held at the Jinan Yingxiongshan Cemetery for Revolutionary Martyrs on the afternoon of 27 February.

Wan Li, vice premier of the State Council, Yang Dezhi and Duan Junyi, members of the Standing Committee of the Central Advisory Commission, Qian Zhengying, minister of water resources, Liang Buting, secretary of the Shandong provincial party committee, and Jiang Chunyun, deputy secretary of the provincial party committee and provincial governor, sent wreaths.

The Shandong Provincial party committee, the provincial Advisory Commission, the provincial Discipline Inspection Commission, the provincial People's Congress Standing Committee, the provincial government, and the provincial CPPCC Committee, also sent wreaths.

The memorial meeting was presided over by Lu Maozeng, deputy secretary of the Shandong Provincial party committee. Vice Governor Ma Zhongchen gave a memorial speech.

More than 500 persons attended the meeting, including responsible comrades of the provincial party committee, the provincial Advisory Commission, the provincial People's Congress Standing Committee, the provincial government, and the provincial CPPCC Committee, veteran comrades in the province, representatives of cadres from the provincial-level agricultural departments, representatives from the Qingfeng County party committee and government in Henan Province—the hometown of Comrade Yang Jie—and friends and relatives of Comrade Yang Jie. [passage omitted]

Deng Yingchao Meets Hong Kong Visitor
OW281200 Beijing XINHUA in English 1046 GMT
28 Mar 88

[Text] Beijing, March 28 (XINHUA)—Deng Yingchao, honorary president of the China Population Welfare Foundation, today met and had a cordial talk with Yu San Ho, member of the Beijing Committee of the Chinese People's Political Consultative Conference.

Yu is also permanent honorary chairman of the Chinese General Chamber of Commerce of Hong Kong.

Wang Shoudao, president of the Chinese Population Welfare Foundation, conferred on Yu the certificate of the council member of the foundation and gave a dinner in honor of him in the evening.

Astrophysicist Fang Lizhi Profiled
HK290230 Beijing CHINA DAILY in English
29 Mar 88 p 6

[By Li Xiguang]

[Text] In a tiny room on the 11th floor of a new apartment building in northwestern Beijing, a medium-sized man in thick-rimmed glasses hunches over a small table, playing around on a piece of paper with theories, formulas and equations.

Here is astrophysicist Fang Lizhi, a man searching for keys which will unlock the secrets of the universe.

Like many other scientists, he has such a love of his trade and talks about it so lyrically and intensely, that in telling you, he makes you love it too.

"Cosmology in astrophysics is one of the most exciting fields in science," Fang said. "Everyone is wondering about the origin, structure and evolution of our universe. The final answer rests with cosmology.

"We're somewhat different from astronomers in our research projects. Astronomers traditionally study heavenly bodies within the Milky Way, while astrophysicists are looking into anything in the sky. In scientific terms, I'm studying the large-scale structure of the universe," he said.

Speaking of the most interesting problem facing astrophysicists in the 1980s, Fang said: "The biggest puzzle is the origin of the universe. But now we have a clearer picture of what the universe was like in the first few seconds after the 'Big Bang.'

"During the very beginning of the universe, there were no particles, no elements, no gas. It was space entirely devoid of matter, just as Chinese philosopher Lao Zi said over 2,000 years ago, 'Everything comes from nothing'."

Through experiments and observation, Fang and his colleagues abroad have obtained some evidence to prove their theory. "But, as in the field of archaeology, the earlier the history you want to trace, the less evidence you'll dig out," he said.

In the last decade, thanks to some substantial finding in cosmology, three Nobel prizes have gone to astrophysicists.

But Fang said most of the findings of the universe come only bit by bit. That's why he keeps in close contact with colleagues around the globe. "There are only about 100

active scientists doing research in this field in the whole world. We're just like a very friendly big family. We exchange information regularly through letters and print."

But for most of the important data and findings which require immediate attention in this small research community, they communicate with each other through telex and telephone.

Last spring, for example, Fang was often woken up by phone calls from abroad. His fellow scientists in other parts of the world were constantly filling him in on the latest data about "supernova 1987"—the closest new star yet discovered.

Fang considered this "hot-line" within the international astrophysical community very important to his work because telescopes in China's observatories are not big enough for gazing at distant stars. The international exchange of data helped him track, in great detail, the formation of new stars and the death of old ones. It also helped him develop better estimates of the size and age of the universe.

Fang is one of the few astrophysicists in China with an international background. In 1984 he was appointed a member of the International Scientific Council of the International Centre of Theoretical Physics and chief editor of the international journal *PROGRESS IN ASTROPHYSICS AND COSMOLOGY*. As recently as last year he became the first Chinese to be elected to two commissions of the International Union of Pure and Applied Physics. At 52, he is one of the youngest members of the distinguished Chinese Academy of Sciences.

In recent years he has been working in some of the best research institutes around the world, such as those at Cambridge, Princeton, Kyoto and Rome. Such travel has brought him a trunkful of souvenirs which are on display in his living room.

Fang, a self-taught astrophysicist, got involved in astrophysics and cosmology quite by chance.

He was at first a scientist of solid state physics. But during the "cultural revolution" (1966-76), like most scientists in China, he was sent to do physical labour, in a coal mine in Anhui Province. Feeling intellectually lonely after digging coal and getting back into his dormitory at night, he would pick up the only books he had with him—a few English books on Einstein's general relativity theory. This immediately captivated him.

In 1972 he published his first research paper on astrophysics—"A Cosmological Solution With Black Body Radiation"—which pioneered modern cosmology research in China. It was also that year that he founded an astrophysics research group at the University of Science and Technology of China in Hefei, Anhui Province.

His first major piece of research of international influence was done in collaboration with a Japanese scientist, Professor H. Sato, on quasars, which in 1985 won the first award offered by the International Gravity Foundation, the highest honour in this field.

Fang is now heading a research group on theoretical astrophysics at the Beijing Astronomical Observatory under the Chinese Academy of Sciences.

Every morning at 9 he leaves his flat and pedals his bicycle to the office building of the observatory, only a few minutes away. But he does most of his studying at home.

The walls of his study, his living room and even the hallway are lined with tall bookshelves on which are stacked thousands of books in Chinese, English and Russian. Most of them are about physics, mathematics, astronomy, philosophy and art.

Fang said science for him is a form of art. He is seeking beauty in his studies of the universe. "The beauty of science comes from its quest for truth and creativity, from its love of man and nature."

In his living room hangs a large Chinese ink and brush painting of mountains and rivers. "As a French mathematician said, eternal beauty comes from the harmony of nature, and this harmony can only be understood by pure wisdom. And it's the beauty of nature that drives scientists to work hard and forget themselves," Fang said.

Over the past years Fang has been to Italy 12 times. On each occasion he visited painters and art critics there, or took a stroll among the paintings on display at Spanish Piazzale in Rome. Sometimes the painters would invite him to their homes to look at their private studios, or they would take him to see some mosaics by Renaissance painters which were usually 'off limits' to tourists.

Occasionally, Fang and other physicists invite artists to be present during their pure scientific activities, where many painters find inspiration, such as for paintings of black holes, the 'Big Bang,' and supernovae.

Fang is a great talker, and many physicists like to discuss problems with him. Last spring, learning that he was being transferred from the University of Science and Technology of China to the Beijing Observatory, a theoretical physicist in Beijing said gladly: "Good. We'll have more academic discussions together."

Since Fang joined the Beijing Observatory more than a year ago, he has published 14 research papers on physics. Five books by him on science and history also came off the presses last year.

Fang's family is a physics family. His wife Li Shuxian, whom he met when he was a student at Beijing University in the 1950s, is professor of physics at Beijing University. His eldest son is studying physics of superconductivity in the United States and his youngest son is studying physics at Beijing Normal University.

Military Commission Holds Army Reform Forum
HK290432 Beijing JIEFANGJUN BAO in Chinese
22 Mar 88 p 1

[Report: "Military Commission Holds Forum on Army Reform"]

[Text] Beijing, 21 Mar (JIEFANGJUN BAO)—The Central Military Commission today held a forum on accelerating and deepening the reform of the Army. Yang Shangkun, permanent vice chairman of the Central Military Commission, presided over the meeting. Zhao Ziyang, first vice chairman of the Central Military Commission, attended the meeting and delivered an important speech.

Present at the forum were principal leaders of the PLA General Staff Headquarters, the PLA General Political Department, the PLA General Logistics Department, the Commission of Science, Technology, and Industry for National Defense, all the arms and services, all the military regions, the Academy of Military Sciences, and the PLA National Defense University. Participants at the meeting took the floor one after another and put forward many good views and proposals on reform in light of the reality of the Army.

PRC, Hong Kong, Taiwan Economic Growth Seen
HK281328 Hong Kong TA KUNG PAO in Chinese
27 Mar 88 p 2

["Review of the Week" by Kung Yaowen (7895 5069 2429): The Mainland, Hong Kong and Taiwan Will Form a Great Economic Triangle"]

[Text] High Expectation of Hong Kong and Taiwan [subhead]

In the report given in the First Session of the Seventh NPC, Li Peng mentioned the central government's policy toward Hong Kong, Macao and Taiwan. When we analyze his words, we can find that the Chinese mainland is paying much attention to and placing high expectation on Hong Kong and Taiwan, the two "small dragons" among the four Asian dragons.

Li Peng pointed out that: The general and specific policies of the Chinese Government toward Hong Kong and Macao will not be changed. Over the past three years

since the signing of the Sino-British Joint Declaration, Hong Kong society has been very stable and the economy prosperous. Further reform and opening up of China, and the development of China's modernizations will provide strong support to the prosperity and stability of Hong Kong and Macao. The development of Hong Kong and Macao will also, inevitably, play a greater role in China's modernizations.

It cannot be denied that Hong Kong has tremendous importance to China. It is not an exaggerated description that Hong Kong plays a role as a "leading head" in China's economic development. On the other hand, as proved by the fact that Hong Kong has benefited much from the opening up of China in the past 9 years, it is obvious that the various supports given to Hong Kong by China and in the future course of the "four modernizations," China will certainly give much guarantee to the stability of the Hong Kong economy.

A New Force in the 21st Century [subhead]

On the basis of such a special relationship of mutual benefits and mutual dependence, and with the current situation that Taiwan is obviously forming a "three-party" relationship of interests with Hong Kong and the mainland, we can optimistically expect that the "triangle" formed by Hong Kong, the mainland, and Taiwan will have the potential to influence the economic development of Asia and the world. Of course, this potential cannot be achieved in one stroke, and a certain period of time is needed. More than one Western economic expert had estimated that: China together with the "four Asian dragons" will form a new economic force that can compete with Japan and the United States in the 2030's.

With a long-term point of view, the Seventh NPC approved a more flexible and enlightened policy toward Taiwan. Moreover, this policy is a fair and reasonable one. Li Peng also pointed out in his Government Work Report that China sincerely welcomes the relaxation of the constraints for and the scope of Taiwan compatriots to visit the mainland implemented by Taiwan last year. China welcomes more Taiwan compatriots and entrepreneurs to visit relatives, invest and build factories in the mainland, and to help each other in economic cooperation.

The Scope of Communication Between the Mainland and Taiwan Will Be Further Expanded [subhead]

It is a fact that currently not many Taiwan entrepreneurs invest in the mainland. In Taiwan, however, members of the legislative committee, economic experts and people of various circles request more nongovernmental economic, cultural, and academic exchanges between Taiwan and the mainland. Taiwan is severely pressed by the U.S. protectionism, and it has to restructure its overseas markets. The mainland, on the other side of the strait, is a new market for Taiwan products as well as a large supplier of raw materials and cheap labor. Particularly,

once the coastal economic strategy is implemented, the developmental strength of the mainland will become very strong and it should not be neglected.

Last year, the total annual amount of Taiwan's re-export trade to the mainland via the Hong Kong area was \$1.5 billion. It is estimated that this figure will reach \$2 billion this year. This trend of growth reflects the situation that government and nongovernment personnel, inside and outside Taiwan, cannot stop the direct trade between the mainland and Taiwan in the future; particularly when Taiwan knows that South Korea had already established new processing areas at Asan and Mokpo, which are located at the western coast of South Korea facing the Yellow Sea, and are aiming at the Chinese market. Various Taiwan circles today do not deny that Taiwan will adopt a more flexible policy toward the mainland. It also will not be preoccupied by its name and they will present themselves as "Taibei, China" in international organizations such as the "Asian Development Bank." In order to obtain concrete benefits, it will also coexist with China in these organizations. Some new development will result when the KMT re-assesses its policy toward the mainland in its "13th party congress" in June.

The reform in Mainland China in the coming 5 years is crucial. During the time when the Seventh CPPCC and the Seventh NPC are being held, it is hoped that the legislative and consultative role, and the role of participation in government and politics of the two important conferences—the CPPCC and the NPC—will be brought into play; the democratic political structural reform in the mainland will be effectively promoted; and a civil servant mechanism with strong supervision by the citizens in China will be established. These are the basic preconditions for the political reform in the mainland; and the reform had won support from the people. Some people may say that the mainland always talks a good deal but implements less. In fact the current situation is different from the past: First, in the new list of the delegates to the CPPCC and the NPC, the reform forces occupied the main stream. Second, although the economic and political reforms in the mainland over the past 9 years followed a tortuous path that had encountered many obstacles, the policy of reform and opening up had occupied the main leading position. Third, the current new line of the 13th CPC Party Congress ensures further reform and opening up of China in the future. Only on the basis of the successes of Hainan Island, Guangdong, the special economic zones such as Shenzhen, and Fujian, and the new measures implemented on the foundations of such successes, we can be sure that the mainland will certainly insist on its faith in reform.

The further economic connections among Hong Kong, the mainland, and Taiwan, and the mutual support given to each other, is the trend of international economic development. It can be expected that a new situation will emerge in Asia in the near future.

Automobile Plant Seeking Foreign Partners
OW291010 Beijing XINHUA in English 0850 GMT
28 Mar 88

[Text] Wuhan, March 28 (XINHUA)—China's No 2 Motor Vehicle Plant in Hubei Province is seeking partners from abroad to jointly produce 300,000 cars a year, according to Song Yanguang, chief engineer of the plant.

Denying a report that the plant had signed a cooperation agreement with a certain foreign automobile firm, Song said his plant is still seeking possible partners from among competing foreign firms.

One of China's largest motor vehicle producers, the plant produced 113,000 five-ton, heavy-duty "Dongfeng" trucks last year, and plans to turn out 120,000 this year.

Plant officials have held consultations with several foreign motor vehicle companies on the feasibility of joint production, and a number of alternate plans are now being drawn up.

Song said the plant intends to reach an annual production capacity of 150,000 basic model cars by the end of 1995, mainly for sale on the domestic market.

He noted that China's total annual production capacity is expected to top 1.7 million motor vehicles by the year 2000, of which 650,000 will be cars.

Bank of China To Issue Bonds to Local Residents
OW290920 Beijing XINHUA in English 0808 GMT
29 Mar 88

[Text] Beijing, March 29 (XINHUA)—The Bank of China will start selling one billion yuan (270 million U.S. dollars) worth of bonds to local residents on April 1.

In 100, 500 and 1,000 yuan (27, 135 and 270 U.S. dollars) denominations, the bonds will have a term of one to three years. Interest will be calculated at the rate of nine percent the first year, 10 percent the second, and 11 percent the third.

The bonds can be transferred or used as collateral, with interest earned exempt from personal income tax.

Economist Urges Three-Stage Price Reform
OW291022 Beijing XINHUA in English 0818 GMT
28 Mar 88

[Text] Beijing, March 28 (XINHUA)—A noted Chinese economist said here today that China should keep annual price increases below five percent over the next three years.

In an interview with XINHUA, Li Yining, a deputy from Hunan Province to the Seventh National People's Congress, suggested that price reform be carried out in three stages.

First, he said, irrational prices such as those for agricultural produce and raw materials should be partially readjusted. However, such price readjustments should be done on the basis of keeping prices relatively stable since enterprises which have just started to introduce the contract and leasing systems are not yet able to adapt to sharp price movements.

Li said that as enterprises grow and are able to buy more expensive materials, large-scale readjustment of commodity price parities, including that between industrial goods and agricultural produce and that between raw materials and finished products, can be carried out.

When that is accomplished, he said, a thorough reform of the pricing system can be set in motion so that all prices will be decided by the market and be only indirectly controlled by the state.

Completion of the three stages for reforming the pricing system, Li said, will take eight or nine years.

Li said that in order to stabilize prices, China should first identify factors causing price changes and work out ways to eliminate them.

According to Li, such factors include excessive price rises for agricultural and sideline products, exorbitant increases in consumption funds, overinvestment in capital construction, unbridled growth of institutional purchasing power and lax price control. The most serious problem recently resulted from excessive increases in the prices for agricultural and sideline products and in wages and bonuses.

He said that irrational prices of course constitute one of the reasons for excessive price rises, but the most important factor is unstable production, as unstable output leads to price fluctuations.

He said that price rises inevitably lead to increases in wages and bonuses, which in turn cause price rises, forming a vicious circle.

He suggested that civil servants, who are on fixed salaries, be given relatively high wages decided according to the cost of living, and enterprises pay their employees according to their output. This can help ensure stable living standards for wage earners and put an end to the "keeping up with the Joneses" attitude of enterprises in increasing the wages and bonuses of their workers. Besides, civil servants must be severely punished for pocketing bribes or other illegal incomes.

Once China succeeds in deciding prices according to market demand and supply, Li said, a new system will come into being, with the share system playing a dominant role in the operation of medium- and large-sized enterprises and with prices being decided by a well-developed market and only indirectly controlled by the state.

"In this way, we shall have a small area of government involvement but a large market," he added.

Commodity Prices, Agriculture Viewed
HK290443 Hong Kong ZHONGGUO TONGXUN SHE
in Chinese 0715 GMT 25 Mar 88

[Article by Shi Fu (4258 1133)]

[Text] Hong Kong, 25 Mar (ZHONGGUO TONGXUN SHE)—Many questions are being discussed by the First Session of the Seventh NPC and the First Session of the Seventh CPPCC currently being held in Beijing. Commodity prices will become one of the most discussed questions.

In recent years commodity prices have been skyrocketing in mainland China, especially those of fish, meat, eggs, fowl, and vegetables. Some have risen by over 100 percent compared with 3 years ago. The price index increase is higher than the increase in wages. Due to a drop in their actual standard of living some people have had many complaints.

A fundamental reason for the price rises is the shortages in supply of foodstuffs, which is a result of the unsatisfactory development of agriculture.

In 1984, a bumper harvest was reaped in China's agricultural production with total grain output reaching 407.31 million tons, while cotton reached 6.258 million tons. Since the outputs of grain and cotton had increased rapidly and there was insufficient storage space, there were many complaints among the peasants about "difficulties in selling grain" and "difficulties in selling cotton." However, total grain output dropped sharply to 379.11 million tons in 1985. Although it rose again in 1986 and 1987, it was still lower than the 1984 figure.

Over the past 3 years since 1984, China's population has grown by nearly 40 million (at an average of more than 12 million a year), but there has been a negative increase in grain output, or a decrease by some 50 million tons. Moreover, as the people's demands are increasing along with the development of the national economy as a whole, the supply of agricultural products is getting worse and worse. Today, when economic reforms are being carried out and market mechanism is being brought into play, it is inevitable that the shortage in supply of agricultural products has resulted in the skyrocketing of commodity prices. Although all kinds of measures have been adopted by the CPC authorities to

control commodity prices (including strong measures against those who have driven up prices and the rationing on meat and eggs in some cities), it is still difficult to bring prices under control.

Some 9 years ago the CPC authorities said that "without the development of commerce there would be no invigoration; without the development of industry there would be no wealth; without the development of agriculture there would be no stability; and disorder will occur if there is no grain." The practice over the past few years proves that the CPC's guiding policy on economic affairs is correct. But during certain periods, some regions and departments have wrongly implemented this guiding policy. For example, after bumper harvests were reaped in 1984 some people felt more or less self-satisfied and investment in agriculture was reduced. On the other hand, in order to seek more profits the industrial and commercial departments raised the prices of chemical fertilizer, pesticides, and farm machinery. This became an important reason for the unsatisfactory development of agriculture and the decrease in grain output.

China is a large country with a population of 1 billion. "Food is the most important thing for people." The question concerning the 1 billion people's food and clothing is always the question of first importance. Agriculture is the source of food and clothing. Therefore, placing agriculture in the most important position is a fundamental and long-term national policy conforming to China's national situation. Without the development of agriculture, we will be unable to realize the targets of "comparatively well-off" and "four modernizations."

The NPC delegates and the CPPCC members are expected to pay more attention to agricultural development when discussing the question of commodity prices.

Commentator on Problem of Food Prices
HK290630 Beijing BAN YUE TAN in Chinese
No. 5, 10 Mar 88

[Commentator's article: "The Solution to the Food Problem"]

[Text] The increase of commodity prices is a hot now that is frequently discussed by the masses. We pay adequate attention to this matter. We should make a scientific analysis and find a solution.

The core of the commodity prices problem is food. What the masses complained most seriously about is the relatively large increase in food prices. It is nothing but food that is put back on rationing in some large cities, with supplies based on the presentation of coupons.

The increase in food prices is, in the final analysis, attributable to an inadequate supply of vegetables, pork, and other foods. The inadequate supply of these agricultural products does not reflect a downturn in our agricultural production; 1987 was a year of agricultural

bumper harvests and increases in grain and cotton output. Therefore, the problem lies not in the capacity for total agricultural output but in fluctuations in output of certain agricultural products.

In the past few years, there have been fluctuations in our grain and cotton production. Production of vegetables, pigs, sugarcane, beets, and so forth has gone up and down. Why? The most important cause should be attributed to our having failed to guide agricultural production according to the law of value. Take pig production, for example. When the fodder price rose and raising pigs not profitable, we did not take timely measures to protect peasants' enthusiasm for pig breeding. The result was a serious shortage of pork, with a big increase in the meat price.

The main lesson that fluctuations in agricultural production have provided us can be summed up in two points: 1) The rural economy has gone on the path of the commodity economy, and the peasants have begun to arrange production on the basis of market signals. However, we have still not learned how properly to use the law of value in dealing with peasants. 2) In the past few years, there have been times when we knew full well that failure to increase the prices of certain commodities would affect production and stimulate excessive consumption. However, due to worries about an increase in the commodity prices index, we have not acted accordingly. The prices that should be increased have not been adjusted upward in a planned manner. As a result, production has suffered and the serious shortage has worsened. Where a spontaneous rise at last occurs, the prices rise more steeply and with more serious consequences.

In solving the food problem, we cannot again follow the old road of unified purchase and marketing and must instead explore a new path. It seems that the main thing is that we must act according to the law of value and have a fundamental policy to counter food prices. We may take the following measures: 1) We must gradually readjust upward the procurement prices for agricultural products and let the peasants make some profit. 2) Concerning staple foods supplied to urban residents in fixed quantities, we must grant appropriate subsidies to workers when prices increase. In fact, the state and localities, or some units, have already adopted some measures to give subsidies. 3) We must formulate concrete measures linking food price rises to subsidies and

turn hidden subsidies into open ones. This makes things easy to understand and calculate. Everyone can know how much the food prices have increased and how much is paid as subsidies. This helps in promoting agricultural production and stimulating the reform of the pricing system and also makes for social stability.

Of course, to solve the food problem, there is still the need to adopt other important measures. For example, we must take necessary economic and technical measures to strengthen agricultural production and make a point of preventing the random upward adjustment of the prices of the means of production for agricultural purposes. We must properly handle contracted purchases for certain agricultural products. We must insist on walking on two legs, not only running state-owned and collective pig-breeding and chicken-keeping farms, actively supporting specialized animal-breeding big operators, and paying attention to scale results but also, at the same time, not neglecting the scattered production efforts of myriads of households. We must make overall arrangements for foreign trade food exports and domestic market sales. We must accelerate the reform of the state commercial system, cut down on and improve links in between, bring about direct links between sales departments of large cities and production bases, and establish various channels for circulation.

From a long-term point of view, we should also readjust the food mix of residents in solving the food problem. Like the matter of family planning, this problem should be listed as fundamental national policy. There is a fundamental factor restraining the development of China's agriculture: The existence of too little land, with too large a population. Each person in the country has only 1 and 1/2 mu of cultivable land. With an increase in the population, the per capita share of cultivable land will shrink. We must guide people's eating habits in a more scientific direction, adopt comprehensive measures, including pricing, and gradually bring about a mix of foods compatible with our national conditions.

The people take food as everything. The problem of food ranks first in the national economy. The reform of food prices, a sensitive and complicated matter, is also a most thorny problem for many socialist states in reform. If we can find a solution for this problem and properly carry out the reform of food prices, other commodity price reform measures can also be introduced in a relatively smooth way. The pace of the reform of the whole economic system will be greatly accelerated.

East Region

Anhui's Li Stresses Afforestation Efforts

OW280925 Hefei Anhui Provincial Service
in Mandarin 1100 GMT 13 Mar 88

[Report on talk by Li Guixian, secretary of the Provincial Party Committee, marking 12 March Arbor Day; date and place not given]

[Excerpts] Comrade Li Guixian said: Now is the best time of the year for planting trees. The provincial party committee and provincial people's government have worked out arrangements for successfully fulfilling this year's afforestation work. On the occasion of Arbor Day, I would like to stress once again that doing a good job in afforestation is most important for bringing about a favorable development of the ecological system.

Afforestation is a question of strategic importance for achieving the success of our modernization as well as one of the nation's fundamental policies. [passage omitted]

Practice has shown that without a developed forestry, the mountainous areas will never prosper. Poor and backward prosperous mountainous areas will seriously hamper economic rejuvenation in Anhui. In this regard, we must learn, with an open mind, from the experience of Guangdong and Fujian in expanding forests and promoting forestry.

Party committees at all levels must genuinely shoulder the heavy task of making the nation green and, in cooperation with government departments, put into force a system under which the leading cadres are held responsible for the attainment of certain afforestation tasks during their tenure, improve management and supervision, and, through persistent afforestation efforts, put an end to the situation of the province having a backward forestry, a low amount of green cover in its urban areas, and serious pollution. [passage omitted]

Fujian Conducts Military Exercise 26 Mar

OW282344 Fuzhou Fujian Provincial Service
in Mandarin 1100 GMT 27 Mar 88

[Text] Yesterday afternoon, Air Force units under the Military Commission and Nanjing Military Region conducted an Air Force-military specialized technical exercise at Fuzhou Airfield.

Militiamen and women of Daishan Village outside Fuzhou skillfully carried out exercises including extinguishing fires, operating fire-fighting equipment, antiaircraft firing, providing first aid on the battleground, setting up and operating ground radio stations, refrigeration and battery charging in the field, and giving first aid on aircraft. Their performance was praised by the relevant Air Force units.

In recent years, the Daishan Village People's Armed Forces Department has cooperated closely with [words indistinct] in Fuzhou to carry out specialized Air Force-militia training earnestly. Consequently, it has not only improved constantly the vocational quality of the militia but also further implemented joint military-militia defense measures.

All militiamen and women participating in the exercise skillfully completed the main points of operation calmly and bravely. For example, 22 militiawomen from Wufeng, Xingan, and other villages went onto the battleground speedily to provide first aid to the injured. They gave first aid to six wounded soldiers and evacuated them in 10 minutes, within the prescribed time.

Fujian Steps Up Reform of Labor, Wage Systems

OW281005 Fuzhou Fujian Provincial Service
in Mandarin 1100 GMT 19 Mar 88

[Excerpt] Fujian Province will take bigger strides this year in reforming its labor and wage systems. The practice of linking total wages with economic results will be adopted in an overall way throughout the province. The province has also decided to designate Xiamen City as an experimental area for the comprehensive reform of the permanent employment system, wage system, and labor insurance system in the province.

This year, in addition to carrying out reform of supplementary systems in an all-round way, our province will lay stress on the reform of the fixed-wage system so as to do away with the iron rice bowl for permanent workers, who account for over 80 percent of all workers in the province. As long as it helps inspire workers' initiative, enterprises may adopt any approach in reforming the permanent employment system, such as by introducing labor association, appointment by competition, management by contract, and so on.

The province and the various prefectures, cities, and departments will all adopt the practice of linking total wage with overall economic results. Specifically, those prefectures, cities, and departments where total wage is now linked with economic results should use the amount of taxes and profits turned over to the state by enterprises as the criterion for assessing the enterprises' economic results. These prefectures, cities, and departments should use the annual total wages reported in the previous year by state-owned enterprises in their respective areas as the base figure to determine the extent of wage increases. In general, for every 1 percent increase in economic results, there should be a wage increase of from 0.5 to 0.8 percent. [passage omitted]

Jiangsu Expands Areas Open to Foreign Investment

OW291004 Beijing XINHUA in English 0857 GMT
28 Mar 88

[Text] Nanjing, March 28 (XINHUA)—Jiangsu Province has expanded its areas open to foreign investment from 18,000 sq km to 60,000 sq km, or 59.5

percent of its total areas, with an approval from the State Council, China's highest governing body.

The newly open areas include the four cities of Nanjing (capital of the province), Zhenjiang, Yangzhou and Yangcheng, and 28 counties. These are all located along the Yangtze River, China's longest.

These areas will enjoy the same preferential policies applicable to coastal open areas.

According to the official, areas that have already opened to foreign investment and advanced technology include Nantong, Lianyungang, Suzhou, Wuxi and Changzhou cities, and 12 counties on the lower reaches of the Yangtze.

The four newly opened cities have a combined population of 23.635 million and cover 27,620 sq km, including 287,000 hectares of cultivated land.

These cities have 45 higher-learning institutions employing 200,000 scientific workers and 10,800 industrial enterprises. Last year saw the four cities generate output value totalling 37.27 billion yuan and gross domestic product totalling 30.9 billion yuan.

More Private Enterprises Spring Up in Jiangsu
*OW261401 Beijing XINHUA in English 0901 GMT
26 Mar 88*

[Text] Nanjing, March 26 (XINHUA)—Private shops and factories are sprouting up all over Jiangsu Province in east China.

They now number 870,000, an increase of 110,000 from 1986, according to officials at the provincial industry and commerce administration.

But only about five percent—4,679—employ seven or more workers and thus qualify for designation as private undertakings by the industrial and commercial administration department.

Most of the private undertakings are in rural areas. Their combined output last year was 7.6 billion yuan, three billion yuan more than the previous year.

In Yanghe township the 13 privately-owned enterprises have workforces ranging from 50 to 300 workers. They include a 1.1 million yuan brewery that pays taxes of two million yuan a year.

More attention is being taken on developing exports. A wickerwork factory at Yancheng City exported 100,000 U.S. dollars worth of products last year.

Some enterprises have established ties with universities and research institutes to improve their products.

But many factory directors have found it hard to expand business for lack of market information and investment.

Jiangxi Exports Machinery, Electronics
*OW261315 Beijing XINHUA in English 0639 GMT
26 Mar 88*

[Text] Nanchang, March 26 (XINHUA)—Jiangxi Province earned 10 million U.S. dollars from exports of machinery and electronic products in 1987, a local trade official told XINHUA today.

The products have expanded from single machine tools to 112 varieties, including cameras, microscopes, diesel engines and high-tension electromagnet devices. They are exported to 47 countries and regions in Asia, Europe and America.

In the first two months of this year the province fulfilled 23 percent of its export quotas in these fields set for the entire year of 1988, exceeding any previous period.

The province is planning a sales exhibition for Bangkok in July, said Luo Maoxiang, deputy director of the provincial department of the machine-building industry.

Jiangxi boasts abundant porcelain clay, tungsten and copper, and a number of well-equipped large and medium-sized enterprises.

The local government plans to build five industrial bases before 1990 to increase the annual export value of each of the 10 major export items to one million U.S. dollars.

Jiangxi Holds Provincial Agricultural Meeting
*OW281001 Nanchang Jiangxi Provincial Service
in Mandarin 1100 GMT 16 Mar 88*

[Excerpts] The Jiangxi provincial agricultural work meeting held in Nanchang from 11 to 15 March called on the departments concerned in all localities to avail themselves of the opportunity to win a new bumper harvest in agriculture this year. [passage omitted]

Vice Provincial Governor Huang Huang attended and addressed the meeting. He set the following four demands:

1. We must seriously analyze the situation in the rural areas, carry out rural reform in depth, and consolidate and develop the results of reform. It is necessary to analyze conscientiously the situation, and especially analyze and study the situation in rural reform. We must make reform prevail in everything. The focal point of carrying out rural reform in depth lies in acting in accordance with the law of value. This is an important guiding ideology in rural work which must be firmly fostered. [passage omitted]

2. We must readjust the rural industrial structure and take the road of overall development. [passage omitted] Grain continues to be the focal point in agricultural production. It is necessary to raise the peasants' educational level while firmly grasping grain production. Depending on the existing production level, it is necessary to maintain the current acreage of grain crops, increase per-mu yield, and appropriately handle the contradiction between supply and demand of grain. It is necessary to include the development of cotton, tea, leaf tobacco, sugar cane, cocoons, mulberry, and other industrial crops on the agenda of important matters to be discussed at meetings. It is necessary to increase our own supply of raw materials for light and textile industries. All-round agricultural development calls not only for tapping agricultural potential but also for developing mountain and water resources.

3. We must continue to implement and improve rural policies to further develop the peasants' enthusiasm. Guided by party policy, the departments concerned in all localities must adopt flexible measures. Currently, the party Central Committee is repeatedly stressing the necessity of acting in accordance with the law of value. This will be the greatest [word indistinct] to agricultural development. [passage omitted]

4. We must go all out to grasp current production well so as to win bumper harvests throughout the year. Currently, it is necessary to perfect production plans and strengthen specific measures with the aim of developing an export-oriented economy and developing agriculture which can earn foreign exchange. [passage omitted] It is also necessary to do well in afforestation, forest fire prevention, and preparations against flood. To promote productive forces in agriculture, we must pay attention to increasing input into agriculture from many levels and many aspects. It is necessary to disseminate science and technology and tap production potential. It is necessary to encourage more and more scientists and technicians to devote themselves to economic development. [passage omitted]

Jiangxi Governor on Developing Economy
OW261051 Nanchang Jiangxi Provincial Service
in Mandarin 1100 GMT 18 Mar 88

["Excerpts" of article by Governor Wu Guanzheng:
"Grab Opportunities, Push Forward Actively"]

[Excerpts] It is necessary to speed up economic development in China's coastal areas so that they can develop an export-oriented economy by entering the world market under guidance and with careful planning to further participate in international exchange and competition. This important policy decision of the party Central Committee is economically and politically significant. The realization of this development strategy will not only accelerate economic development in the coastal areas but will also stimulate development in the central-west region. In the new situation brought about by the

new development strategy for the coastal areas, the people of the entire province are confronted with an important and urgent task of seizing the opportunities to actively push forward and adopt new measures to accelerate Jiangxi's economic development.

The endeavor to develop an export-oriented economy in the coastal areas will bring new hopes for accelerating our province's economic development. The reasons are as follows: 1) With an export-oriented economy, the coastal areas will provide our province with raw and semifinished materials, a market, as well as a good opportunity for our province's products to enter the world market and other domestic markets outside our province. They will also lead to the development of all trades in our province, especially village and town enterprises. 2) With an export-oriented economy, the coastal areas will inevitably have to shift some production industries, especially agriculture and farm and sideline produce processing industries, inland. [passage omitted] 3) Geographically, our province is situated near coastal areas opening to the outside world and has the advantage of abundant resources and cheap labor. [passage omitted]

To adapt ourselves to the new situation, we must increase our province's economic strength by launching construction of key projects and developing village and town enterprises. This is very important for our province. All prefectures, cities, and departments must do their work well and ensure that key construction projects be completed and put into operation on schedule and that village and town enterprises will quickly become the pillar of our province's rural economy as well as the leading forces in earning foreign exchange through exports. It is necessary to promote scientific and technological progress, speed up the technical transformation of existing enterprises, and devote greater efforts to improving operations and management and technological advancement.

Labor Reform in Qingdao Causes Unemployment
OW290806 Beijing XINHUA in English 1329 GMT
26 Mar 88

[Text] Qingdao, March 26 (XINHUA) — About 200 workers are jobless after the contracts they signed with their work units expired and were not renewed.

They are believed [to be] the first group of workers who have lost their jobs since the city began to implement labor reform two years ago.

At that time around 3,000 workers signed two-year contracts ending the long-established practice of assigning workers to work units whether they wanted the placement or not.

Under the old system employers could not get rid of poor or lazy workers, either; the assignments were generally permanent.

The contract system has caught on so well that after two years 130,000 workers have now signed contracts with the city.

Of the first group whose contracts have just ended, 84 percent renewed with their employers, 9 percent found new jobs, and only 7 percent were laid off "for the time being," an official said.

Some of the layoffs were fired for laziness or lack of qualifications.

But not all. Wang Xiaoling, 22, left her knitwear factory voluntarily to seek a job that was better suited to her interests and talents.

The official said unemployment is an inevitable outcome of labor reform.

"This has given pressure to both employers and job-seekers and will finally help improve the quality of the workers," he said.

The city government will provide relief to the unemployed and offer them training to help them find new jobs.

Shandong Meeting To Relay Zhao's Report
SK290415 Jinan Shandong Provincial Service
in Mandarin 2320 GMT 28 Mar 88

[Text] On the morning of 28 March when relaying the guidelines of the 2d plenary session of the 13th party Central Committee, Lu Maozeng, deputy secretary of the provincial party committee, pointed out: The work report delivered by Comrade Zhao Ziyang at the 2d plenary session is a programmatic document guiding our work for this year and for some time to come, and will play a great role in promoting the economic and political structural reforms, the opening to the outside world, and the two civilizations. Party committees at various levels, and the masses of party-member cadres should conscientiously study it, and carry it out to the letter.

The meeting was presided over by Liang Buting, secretary of the provincial party committee.

After relaying the work report delivered by Zhao Ziyang at the second plenary session on behalf of the Political Bureau of the CPC Central Committee, and his speech delivered at a meeting of group organizers, Lu Maozeng urged: All localities should conscientiously organize the study of the guidelines of the second plenary session. During the study, we should also study the guidelines of this year's Document No 1 of the central authorities, pay attention to the focal points and, based on our own thinking, emphatically understand the analysis of the current economic situation, the strategy for the economic development of coastal areas, party building, and consultation and dialogues. In particular, we should properly handle the relationship between growth rate

and economic results, between the macroeconomy and the microeconomy, between maintaining stability and seeking development, and between reform and construction. We should also study ways to successfully use the law of value to stabilize and promote the economy, and analyze and properly solve the new problems in economic activities.

Comrade Lu Maozeng stressed: In studying Comrade Zhao Ziyang's work report, we should bear firmly in mind the reality in our province's work. The Standing Committee of the provincial party committee will assign each department and person the responsibility for the current work, such as reform of the foreign trade system, the production of and price subsidies for nonstaple foods, contract of enterprises, the strategy for the economic development of coastal areas, the development of low- and medium-yielding farmland along Huang He, Huai He, and Hai He, the political structural reform, and reduction of administrative expenses. Based on their actual conditions, and after conducting investigations and study, the various departments directly under the province, and various cities and prefectures should also work out realistic and effective measures to carry out the work one by one.

Attending the meeting to hear the relay of the guidelines were Standing Committee members of the provincial party committee; members of the provincial Advisory Commission; the secretary and deputy secretaries of the provincial Discipline Inspection Commission; party-member Standing Committee members of the provincial People's Congress who were in Jinan; members of the leading party group of the provincial government; special advisers to the provincial government; party-member Standing Committee members of the provincial CPPCC Committee who were in Jinan; secretaries of various city and prefectural party committees, various large enterprises, institutions of higher learning in Jinan; directors, deputy directors, chairmen and vice chairmen of the various departments and committees under the provincial party committee; and secretaries and deputy secretaries of the leading party groups and party committees of the various departments under the Jinan government.

Housing Purchasing Drive Begins in Shandong
OW271431 Beijing XINHUA in English 0751 GMT
27 Mar 88

[Text] Jinan, March 27 (XINHUA) — A drive to promote house purchases has started in the urban areas of east China's Shandong Province, an official of the provincial Urban and Rural Construction Commission said here today.

According to statistics from 14 cities and 16 county seats, 1,393 households, or 170 percent more than eight years ago, bought new housing last year.

In Yantai, one of the four Chinese cities pioneering the housing rent reform, more than 3,000 households are waiting for their turn to purchase their own housing.

As in other parts of China, houses in the urban areas of the province were built by local authorities, and distributed to workers at a such low rents that they were not enough even to pay for the maintenance costs. Despite massive investment, housing construction still lagged behind the increasing demand.

Shandong began to encourage individuals to purchase houses in 1979 but only a few responded until late last year.

Yantai raised rents dramatically, while giving workers subsidies amounting to 23.5 percent of their wages. Through the reform, workers saw that purchasing is more worthwhile than renting.

Shandong's Liang Receives Literary Leaders
SK271045 Jinan Shandong Provincial Service
in Mandarin 2320 GMT 26 Mar 88

[Text] On the morning of 26 March at Jinan's Nanjiao Guesthouse, Liang Buting, secretary of the provincial party committee; Lu Maozeng, deputy secretary of the provincial party committee; and Miao Fenglin, member of the Standing Committee of the provincial party committee and director of the provincial Propaganda Department, cordially met with newly elected leading members of the provincial Federation of Literary and Art Circles and the provincial Writers' Association.

Comrade Liang Buting extended congratulations to the successful convocation of the fifth provincial congress of literary and art workers and the third congress of the Shandong branch of the Chinese Writers' Association. He said: The newly elected leading bodies of the federation and the association were composed of new talents in the literary and art circles. He expressed his belief that the new leading bodies will be able to strengthen the vitality of the province's literary and art circles through outstanding work and to create a new situation in the province's literary and art work.

With regard to the reform of the literary and art structure, Comrade Liang Buting said: The reform of the literary and art structure should be carried out in coordination with the reforms in other fields; and should be carried out in a positive and stable manner, rather than demanding uniformity in everything. The literary and art reform should be linked with the province's economic situation and economic efficiency. We should not only carry out the literary and art reform with a pioneering spirit, but also gear the reform to the practical situation of our province. The literary and art reform should exert not only pressure but also incentive and vitality to the literary and art circles. He also expressed the hope that the vast number of literary and art workers in the province would forge ahead in a united manner by

attaching importance to the general situation of reform, and would make continued efforts to flourish and to develop the province's literary and art undertakings in order to gear the literary and art undertakings to the political and economic situation and make contributions to building material and spiritual civilizations.

Ding Fangming, vice chairman of the provincial CPPCC Committee, also joined the reception.

Shandong Literary, Art Workers' Congresses End
SK271041 Jinan Shandong Provincial Service
in Mandarin 2320 GMT 26 Mar 88

[Text] The fifth provincial congress of literary and art workers and the third congress of the Shandong branch of the Chinese Writers' Association concluded in Jinan on 26 March.

During the congresses representatives conscientiously listened to the congratulatory speech made by Comrade Lu Maozeng on behalf of the provincial party committee and the provincial government; discussed and adopted the work reports of the provincial Federation of Literary and Art Circles and the provincial Writers' Association; examined and adopted the regulations of the provincial Federation of Literary and Art Circles and the regulations of the Shandong branch of the Chinese Writers' Association; approved the resolutions of these two congresses; elected new leading bodies of the provincial Federation of Literary and Art Circles and the provincial Writers' Association; and satisfactorily accomplished all projected tasks.

During the congresses representatives emancipated their minds, sought truth from facts and spoke their minds without any inhibitions. They also conscientiously summed up the experiences gained by the province in conducting literary and art work over the past 8 years; and discussed the relevant issues on how to create a new situation in literary and art work under the new circumstances of reform and opening up.

These congresses will certainly produce a positive and far-reaching impact on the development of the province's literary and art undertakings. These congresses called on all literary and art workers in the province to conscientiously study and implement the guidelines of the 13th party congress, to persist in the orientation of gearing literature and art to the demands of the people and society and the principles of letting a hundred flowers blossom and a hundred schools of thought contend under the guidance of the basic theory of the initial stage of socialism; and to carry forward the enterprising spirit of Shandong's heroes and eliminate all outmoded concepts. These congresses also called on all literary and art workers in the province to delve deeply into the reality of life to keep abreast of the practical situation, and to emancipate their minds and pioneer the road of advance with one heart and one mind with a view to presenting

even more and better spiritual nourishment for the people and making new contributions to revitalizing the Chinese nation and making the people affluent and the province prosperous.

Shanghai To Expand Trade Laws, Regulations
OW261047 Beijing XINHUA in English 2007 GMT
25 Mar 88

[Text] Shanghai, March 25 (XINHUA)—Over the next three years Shanghai will draw up 61 laws and regulations to cover foreign trade and economic activities involving foreign partners in line with the development of the export-oriented economy.

"The formulation of such laws and regulations is aimed at promoting the economic development of Shanghai by way of legal measures," Vice-Mayor Qian Shouzhong told [words indistinct] here today.

He said some of the new laws and regulations would be passed at the local People's Congress; the rest of them would become regulations published by the city government.

To date, the city has formulated and published 18 such laws and regulations.

The new laws and regulations will be worked out by the city's foreign trade, planning management, financial, [words indistinct] and prices departments, and legal experts concerned, the vice-mayor added.

Shanghai NPC Deputies Discuss Coastal Development
OW290307 Beijing XINHUA in English 1830 GMT
28 Mar 88

[Text] Beijing, March 28 (XINHUA)—Shanghai deputies to the Seventh National People's Congress, expressed support for the strategy for the economic development of China's coastal areas during their panel discussions here today.

Shanghai, the largest industrial and commercial city in China, is just located on the coast, with good conditions for drawing foreign investment and developing an export-oriented economy.

Zhu Junqing, a deputy from a Sino-foreign joint venture, was all for the plan to let coastal areas compete on the international market.

This woman manager of a Sino-Australian joint-venture firm endorsed the ideas expressed by Acting Premier Li Peng in his report on government work, saying that the efforts to draw foreign investment have yielded good results. Through foreign investment, China also acquired advanced foreign technology and managerial expertise.

She pointed out that, although the Government has formulated many preferential policies for foreign investors, it has failed to give enough consideration to the interests of Chinese enterprise to speed up the imports of technological investment [words indistinct] be encouraged.

She said that some dealings with foreign investors have not yet achieved good results because the Chinese side has not fully played their guiding role.

Zhang Youjun, an engineer from the Shanghai Shipyard, stressed the urgent needs for attracting foreign investment at a time when labor-intensive industries are being transferred to Third World countries to win more capital and at the same time train laborers to develop a new advantage.

Speaking of his experiences abroad, Zhang said that foreign investors are pretty satisfied with the technological level in China but complain a lot about constricting government policies and low efficiency.

He called on government departments to improve administration and information service so as to create a still better investment climate.

Zhang also called for better study and application of imported technology to avoid waste from redundant imports.

His opinion was shared by Nu [word indistinct] an employee of the Shanghai Petro-chemical works. She said that it is not beneficial for enterprises to import equipment separately, and the Government should work out overall plans for importing and applying equipment and technology.

She said that in reforming the foreign trade structures, it is necessary to give export-oriented enterprises the power to market their own products on the international market.

Bao Haoxian, a senior engineer from the Shanghai Ocean Shipping Company, said that coastal areas must be subject to state macro-control if [words indistinct] materials, exporting finished products and expanding an export-oriented economy.

"Otherwise, domestic enterprises will blindly compete with one another, damaging their own interests to gain benefit of [words indistinct].

He called on the Government to enact an ocean shipping law as soon as possible and grant the same preferential terms to state-run ocean shipping companies as to locally-run enterprises and Sino-foreign joint ventures.

Shanghai Concerned About Population Growth
OW260741 Beijing XINHUA in English 0247 GMT
26 Mar 88

[Text] Shanghai, March 26 (XINHUA)—Over 190,000 babies were born in Shanghai last year, 13,000 more than in 1986, XINHUA learned today.

The population of the city (including that of the city's rural sector) was 12,495,000 at the end of last year, according to vice-mayor Xie Lihuan.

The municipal government hopes to limit the population to 13.5 million by 2000. This means an annual increase of no more than 77,000 people in the next 13 years, Xie said.

She added that officials are worrying about a population explosion as the adults born in the baby-boom years of the 1950s and 1960s start to reproduce.

"We have to tighten the control of population growth," she said at a city meeting on family planning.

Shanghai's Jiang Zemin Speaks on Rural Work
OW280855 Shanghai WEN HUI BAO in Chinese
12 Mar 88 p 1, 2

[Text] Jiang Zemin, secretary of the Shanghai municipal party committee and mayor of Shanghai, spoke at the municipal conference on rural work yesterday. He emphatically pointed out: The guiding principle in economic work in the rural areas this year is to further liberate our thinking, deepen reform, open wider to the outside world, stabilize the economy, and make further efforts to fully understand and implement the policy of integrating urban and rural areas by basing ourselves on independence and self-reliance, coordinating the development of industry, agriculture, and commerce, and building the four bases in order to make greater contributions to revitalizing Shanghai's economy.

Mayor Jiang Zemin pointed out: The integration of urban and rural areas is not only the guiding principle for developing the rural economy but also an important strategic policy for all economic work in Shanghai. We must rely on ourselves and promote coordinated development of industry, agriculture, and commerce in the rural areas so as to integrate the rural and urban economy. The building of the four bases, namely, a nonstaple food production base for urban areas, an extended base for large industrial enterprises, a base of export-oriented enterprises, and a base for scientific experiments, requires the joint efforts of all economic departments of the municipality. It also concretely reflects the integration of urban and rural economic construction.

Mayor Jiang emphatically pointed out: The primary task in rural work this year is to contribute to stabilizing market supply. The municipal party committee and municipal people's government have decided to consider

the stability of agricultural production and the improvement of nonstaple food products supply for urban areas as an important strategic task. Party and government organizations in rural areas must also consider it as a task of first priority in their work. We must gradually increase the level of self-sufficiency in the supply of main nonstaple food products in Shanghai. The solution of the food problem will not only influence the economy but also have a bearing on political stability. When the food problem is solved, the masses can have ease of mind and we can make greater progress in carrying out reform. The municipal people's government has determined in its overall planning that a base of a reasonably large scale, high efficiency, and advanced scientific and technological level for the permanent and stable production of nonstaple food products should be built in Shanghai's suburbs. This will require that, by the year 1990, the rate of self-sufficiency in pork supply be above 40 percent, the rate of self-sufficiency in poultry and fresh eggs above 80 percent, and that the supply of vegetables, freshwater fish, and fresh milk be further improved on the basis of being basically self-supporting. In order to realize these goals, the municipal people's government has decided to gather funds and establish a fund for the development and building of a nonstaple food production base.

On the question of creating a possible surplus by expanding the production of nonstaple food products and whether there will be a limit in procurement or a change in grading, Mayor Jiang said that the fundamental way to solve these problems is to carry out reform. He said: We must think about ways to improve the current system of producing and marketing nonstaple food products in Shanghai in order to ease the worry of suburban peasants in developing and producing nonstaple food products. He also called for establishing a risk fund for the production of nonstaple food products.

In explaining how to actively promote the transformation of the rural economy from a domestic to an export-oriented economy, Mayor Jiang pointed out: The development of an export-oriented economy in Shanghai's rural areas has been going on for quite a while. With the implementation of the reform of the economic structure in the rural areas, village and town enterprises in Shanghai's suburbs have made some progress in orienting themselves toward the international market and developing the production of commodities for export. At present we must consider the development of export-oriented enterprises as a strategic task. Meanwhile we should strengthen the economic links between export-oriented enterprises in the suburban areas and foreign trade departments, have those enterprises establish lateral ties with large industrial enterprises in the municipality, and have them take advantage of the scientific and technological knowledge which can be provided by units concerned of the municipality.

Mayor Jiang called on village and town enterprises in Shanghai's suburbs to further develop the "three forms

of import processing and compensatory trade" and "agricultural production which can earn foreign exchange." In particular, he said, we should pay attention to combining agricultural production which can earn foreign exchange with the development of overall agricultural production.

Mayor Jiang emphatically pointed out: In order to develop the rural economy, the key lies in further liberating our thinking, simplifying administrative work, and delegating more authority to lower level units. Judging from the actual situation in the suburban areas at present, the broad masses of cadres and peasants should all liberate themselves from the idea of small-scale peasant economy and not be "content with being relatively well-to-do." They should liberate themselves from the idea of promoting agricultural modernization with a closed door and from the ideas of "having grandiose aims but puny abilities" and "worshiping all things big and foreign."

Mayor Jiang said: The municipal party committee and municipal people's government have agreed that in future the various counties under the municipality should assume responsibility for their own finance and that the municipality should delegate the power of examining and approving the operation of enterprises to lower level units and simplify procedures. The simplification of administrative work and delegating decision-making power to lower level units will further vitalize the rural areas and further tap potential there. The delegation of power to lower levels will not end at the county level but extend to all enterprises and economic entities.

Mayor Jiang finally pointed out: If we further liberate our thinking, further simplify administrative work, delegate power to lower levels, have a clear-cut policy and good coordination, and carry out the various measures in an effective manner, the broad masses of cadres and peasants in the suburban areas will certainly be able to make new and greater contributions to speeding up the transformation of Shanghai into an economic structure oriented toward the rest of the world.

Zhu Rongji, deputy secretary of the municipal party committee, presided over and also spoke at yesterday's conference. He gave clear answers to questions raised by party secretaries of various counties during the conference.

Jiang Zemin Elected to Shanghai Congress
OW281051 Shanghai City Service in Mandarin
2300 GMT 21 Mar 88

[Excerpts] A total of 866 deputies were elected to the Ninth Shanghai Municipal People's Congress at People's Congress sessions in Shanghai's 22 districts and counties. The district and county people's congress sessions closed successively by 20 March.

The newly elected deputies include the following Shanghai municipal party committee and municipal government leaders: Jiang Zemin, Zhu Rongji, Wu Bangguo, Zeng Qinghong, Zhao Xingzhi, Zhang Dinghong, Hu Lijiao, Zhao Zukang, Wang Jian, Liu Jingji, Tan Jiazhen, Liu Nianzhi, Shu Wen, Ye Gongqi, Yang Shifa, Ye Shuhua, Zhou Bi, and Hua Liankui.

PLA units stationed in Shanghai also held servicemen's congresses successively and elected 21 PLA deputies to the Ninth Shanghai Municipal People's Congress. [passage omitted]

Some 60 Shanghai deputies to the First Session of the Seventh NPC and some 90 Shanghai delegates to the First Session of the Seventh CPPCC National Committee left Shanghai for Beijing by a CAAC plane at 1815 on 21 March. They were seen off at the airport by Comrades Wu Bangguo, Zuo Ying, and Ni Tianzeng

Zhejiang Sets Up Economic, Technical Network
OW290035 Beijing XINHUA in English 0803 GMT
27 Mar 88

[Text] Hangzhou, March 27 (XINHUA)—The Coastal Cities Economic and Technical Coordination Network was set up recently in Wenzhou City in east China, Zhejiang Province.

Covered under the network are the open coastal cities, the special economic zones, and important inland cities, such as Wuhan, Chongqing, Zhengzhou, and Hohhot, and some of their economic and technical coordination institutions.

The network aims to enhance the role of the coastal cities in import and their connection with the inland regions, to help the domestic enterprises do a better job in utilizing foreign and domestic funds and resources, and take an active part in competition on the world market.

Zhejiang Peasant-Run Firms To Export Goods
OW290539 Beijing XINHUA in English 1508 GMT
28 Mar 88

[Text] Hangzhou, March 28 (XINHUA)—The 10 most successful firms run by peasants in Zhejiang Province will receive the power to directly export their goods this year, said Vice Governor Xu Xingquan today.

The 10 rural collective firms—or "township enterprises" as called in the current Chinese terminology—will be selected on account of the competence of their staff and their ability to produce goods qualified for export.

The official declined to specify what they will be, but he noted that following the best 10, 56 township firms able to annually supply export goods worth 5 million yuan will be given the same treatment.

The provincial government will also see to it that leaders and professionals in rural firms directly exporting their products can go abroad on business trips.

The planned move aims to change the traditional state monopoly of foreign trade, Xu said, adding that until now, most Chinese factories have had to export products via government foreign trade offices.

According to the latest statistics, 2,399 township firms in Zhejiang now produce export goods. Last year, their sold to the Government export goods worth a total of 1.65 billion yuan.

Xue Ju Addresses Zhejiang Court Meeting
OW281225 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 24 Mar 88

[Text] A provincial conference on court work, whose central topic was the study of court reform, concluded today in Xiaoshan. Xue Ju, secretary of the provincial party committee, visited the court participants and relayed to them the guidelines of the 2d Plenary Session of the 13th CPC Central Committee. He said: Under the new situation, court work has become heavier and more burdensome and the court's role has become more and more important with each passing day. Courts should work hard to explore new ways of reform, serve reform and opening up, and promote productive forces in a still better way. If we want to achieve economic prosperity, the government must be honest in performing its duties. He called for efforts to improve the quality of court cadres and police and make them play an exemplary role in honestly performing their official duties.

He continued: The courts hold that court work as well as the ideology of court cadres and police lag behind the development of the situation. We must pay close attention to reform in order to meet the requirements of the new situation. In conducting trials, the guiding ideology and criterion in judging the work of a people's court is whether its decision is conducive to the development of productive forces. It must keep abreast of the overall situation in reform and economic construction, conduct more study and investigations, and offer useful services to economic construction on its own initiative.

The conference urged courts at all levels across the province to improve their regular work, upgrade the quality of court personnel, and make the court a highly efficient and respected law-enforcement organ which carries out its work in strict accordance with the law as well as a strong pillar in perfecting socialist democracy and the legal system.

Central-South Region

Guangdong Nuclear Power Station Accord Signed
OW290629 Beijing XINHUA in English 1306 GMT 28 Mar 88

[Text] Shenzhen, March 28 (XINHUA)—An agreement on the second stage construction of the Guangdong Nuclear Power Station was signed in Shenzhen today.

It covers the excavation and concrete work for the building of a breakwater, an unloading dock, a water diversion canal, and a sewage discharge canal, which should be finished by 1991.

The Guangdong or "Daya Bay" Nuclear Power Station is being built near Shenzhen.

The agreement was signed between Guangdong Nuclear Power Joint Co. Ltd. and No.4 Navigation Engineering Bureau under the Ministry of Communication, XINHUA learned.

The bureau was chosen after defeating eight competitors in a public bidding extended by the Guangdong company in 1987.

Number of Foreign-Funded Firms Grow in Guangdong
OW281403 Beijing XINHUA in English 0905 GMT 26 Mar 88

[Text] Guangzhou, March 26 (XINHUA)—There are now 150 foreign-funded enterprises operating in Zhongshan City of Guangdong Province in south China.

Major ones include a polyester fibre plant, a household appliance company, a granite development concern, an electronics firm, a lamp-making company, and a weaving business.

The city was the birthplace of Sun Yet-sun (1866-1925), founder of the Kuomintang and a great revolutionary.

Financial Services Firms Set Up in Guangzhou
OW290902 Beijing XINHUA in English 1536 GMT 26 Mar 88

[Text] Guangzhou, March 26 (XINHUA)—A finance company and a stock company were set up here today in Guangzhou, capital of Guangdong Province, with the approval of the People's Bank of China.

The finance company will be engaged in the direct borrowing and lending of short-term interbank loans, rediscounting of commercial bills, and providing related information and consultancy services, said an official from the local branch of the People's Bank of China.

The stock company will be mainly engaged in the raising, borrowing and lending of long-term loans. It is authorized to act as an agent to issue various bonds and shares, and sell negotiable securities.

Guangzhou was chosen in 1986 by the State Commission on Economic Structural Reform and the central bank to be one of five cities to pilot China's financial system reform. The official said the two new financial units will promote the rational flow of money needed in construction and enliven the money market in the city.

The Guangzhou financial center for interbank loans was opened in Guangzhou in October 1986, but it only provides a venue for interbank loan business and is not authorized to handle direct business.

Shenzhen To Build Futian Industrial Park
OW271717 Beijing XINHUA in English 1441 GMT
27 Mar 88

[Text] Shenzhen, March 27 (XINHUA)—China's first industrial park to be funded exclusively by foreign capital will be set up in Shenzhen Special Economic Zone, XINHUA learned today.

The park will accommodate enterprises which are both labor- and technology-intensive. These will be run by foreign investors according to international practices, and enjoy preferential terms in taxation.

According to local officials, investors will be entitled to use the land space they have developed over a period of 50 years.

During this period, the officials said, they may transfer, lease out, mortgage or sell the right to use the land space.

Located near the heart of Shenzhen, the 2.5 sq km Futian Industrial Park faces Hong Kong's new territory across a river.

The cost for its development is estimated at 500 million Hong Kong dollars, which will be covered by foreign firms exclusively.

The Zhenkong International Investment Co. Ltd, a joint venture between a local firm and a Hong Kong firm, will be responsible for the project.

Xu Shijie on Hainan Development Blueprint
OW281131 Beijing XINHUA Domestic Service
in Chinese 0106 GMT 22 Mar 88

[Text] Beijing, 22 Mar (XINHUA)—Preparations for establishing Hainan Province, China's largest special economic zone, have been completed after 6 months of efforts. Still pending is an examination of the relevant proposals by the upcoming First Session of the Seventh NPC.

Xu Shijie, secretary of the Hainan Province Preparatory Work Committee of the CPC and deputy to the Seventh NPC who had left early for Beijing to be ready for the First Session of the Seventh NPC, told reporters that the blueprint for developing Hainan had been drawn up. He added that with this blueprint, the island will show the world its new look as an experimental zone for unprecedented economic and political reform.

Xu Shijie said: The central authorities have worked out eight measures for Hainan, which will be more special than those for the existing special economic zones, involving tax,

export, finance, compensated transfer of land use rights, and other important matters. But the most important of all will be two special measures: First, the central authorities have given Hainan larger decision-making powers. Except for foreign affairs, public security, coastal defense, customs, taxation, finance, civil aviation, and posts and telecommunications, which will be administered by the central authorities, all matters will be handled by Hainan itself as flexibly as possible in conjunction with reality. Second, ownership by the whole people will not play a dominant role in Hainan because a pluralistic system of ownership will be permitted.

The outline of the island's economic blueprint, as explained by Xu Shijie to reporters, is as follows:

Hainan's economic structure will be guided by the world market. On this island a market economy will be practiced under the guidance of the state's macroeconomy. State-run enterprises will be limited to infrastructure and a small number of large and medium-sized enterprises affecting the national economy and people's livelihood. As for other small and medium-sized enterprises, their ownership may be changed through contracts, auctions, and the selling of shares. Cooperative economic organizations will be encouraged to increase to a definite number, and there will be great expansion of individual economy and private enterprises. In this system of pluralistic ownership it is greatly possible that Chinese-foreign joint ventures, cooperative enterprises, and solely foreign-invested enterprises will account for a larger proportion. The separation of ownership and managerial power will be practiced in state-run enterprises in order to establish the status of enterprises as legal persons. A system based on shares will be practiced. Institutions in charge of government assets, financial organizations, and all citizens are permitted to possess or buy shares. Production of enterprises and the circulation of their products will mainly depend on world market demands. This means letting market regulation play the primary role, and planned regulation, the secondary role.

The new political structure will follow the "small government, large society" pattern. "Small government" means returning a large number of economic functions to society, simplifying government institutions, changing their functions and work methods, and raising their work efficiency. Administrative cadres will be elected through legislative procedures, while public affairs cadres will be appointed by a system of examination. Hainan's government institutions will be two-thirds fewer than those in other provinces. "Large society" means affirming and guaranteeing individual citizens' and enterprises' economic decision-making powers, allowing enterprises to form enterprise groups on a voluntary basis, and affirming and guaranteeing the independence of institutions. Companies will handle matters that should not be administered by the government. Economic matters will be handled in accordance with the law of economics, and extensive democracy will be practiced step by step.

Xu Shijie continued: Investigations and studies have been conducted in Hainan, and preparations for a symposium are being made. Efforts will be made to work out by the end of this year a strategic program for cultural development in Hainan.

Xu Shijie told the reporters: Showing concern for Hainan to ensure that it will have a good start, the central authorities have stressed that Hainan should start with high-efficiency key projects and avoid low-efficiency ones. Hainan is a large special zone. It is like a game of chess. Proceeding from actual conditions, some cities and counties may emphasize tourism, while others may give priority to light industry; but, the whole island must grasp agriculture and farm and sideline production, vigorously develop tropical crops and manufactured goods for daily use, so as to meet the requirements for building itself into a special economic zone. To create a new system, the people of Hainan should replace their old ideas with new ones and improve their work style.

Xu Shiji spoke with emotion because he is a poet. He said: In Hainan the investment environment has begun to improve. Energy, communication, and posts and telecommunications projects have begun one after another. They include a 10,000-metric-ton-class wharf at Yangpu port, a highway outside the port, the second-phase project at the Macun thermal power station, Haikou's program-controlled telephone system, and the Fenghuang airport at Sanya. It is gratifying to know that the shortage of electricity will be overcome by next year. By 1989 power generation will have increased by 400,000 kilowatts, and by 1990 this figure will rise to 600,000. This means that by then Hainan's power generation will be more than enough for industrial development. Besides, more than 2,000 specialized personnel from various parts of the country have come to work in Hainan. A new college for training administrative cadres is under construction. In future, all cadres in Hainan will undergo training there on a rotational basis. A number of local laws and regulations are also being drafted.

Xu Shijie said in conclusion: If the proposal for establishing Hainan Province is passed by the First Session of the Seventh NPC, there will be no celebration activities on the island. We will refrain from doing useless things, but will concentrate on doing conscientious work.

Overseas Chinese Invest in Hainan Enterprises
OW282353 Beijing XINHUA in English 0833 GMT
27 Mar 88

[Text] Haikou, March 27 (XINHUA)—An increasing number of Overseas Chinese and Hong Kong and Macao compatriots have begun to invest heavily in enterprises on Hainan Island, a local official said today.

The investment is concentrated in tourism, the processing industry, and crop cultivation.

In the 142 enterprises with exclusive foreign capital, joint ventures and cooperative enterprises established since 1983, investment from overseas Chinese and foreigners of Chinese origin makes up 80 percent of the total.

Enterprises established by returned Overseas Chinese and families of nationals living abroad in the five major townships of Overseas Chinese in Wenchang, Wanning, and Qiongsan counties, number 800, involving a total amount of 20 million yuan (about 5.4 million U.S. dollars).

Besides, Overseas Chinese affairs offices have established 12 enterprises with overseas funds, and have facilitated visits to counties and towns by Overseas Chinese and Hong Kong and Macao compatriots.

There are 2 million Overseas Chinese residing in 50 countries whose ancestors came from Hainan, and about 1 million returned Overseas Chinese.

First Overseas Bank Opens in Hainan
OW281415 Beijing XINHUA in English 1502 GMT
26 Mar 88

[Text] Haikou, March 26 (XINHUA)—The Hong Kong Nanyang Commercial Bank Ltd will become the first overseas bank to open a branch on Hainan Island, a bank official announced today.

The Nanyang branch has been approved by China's central bank, the People's Bank of China, the official said.

Foreign banks, Sino-foreign jointly-operated banks and overseas financial companies are allowed to open branches on Hainan, the second-largest island in China, according to preferential policies designated for Hainan by the central government.

So far, more than 20 foreign banks, including the Bank of Credit and Commerce International Ltd of Hong Kong, Mitsubishi Bank of Japan and the Bank of Lyons of France have contacted the local authorities or sent representatives to the region to study the possibility of setting up branches.

Wuhan Hires More Foreign Experts To Help Economy
OW290038 Beijing XINHUA in English 0256 GMT
28 Mar 88

[Text] Wuhan, March 28 (XINHUA)—Wuhan, the capital of Hubei Province, has employed more than 200 foreign experts to help the city develop its own economy.

The city has also sent 150 professionals to foreign countries for training and is now involved in technological exchange with nine countries including the Federal Republic of Germany and the United States.

Wuhan has not only hired managerial experts but also professionals specializing high technology.

Since 1985, the city has invited some retired foreign experts as consultants to the municipal Commission for Economic Restructuring, the municipal Planning Commission, the municipal Labor and Personnel Bureau and other government departments.

After Australian Ken Hayes, 66, signed a three-year contract to manage one of the city's die carrier factories he said: "I have 48 years of experience in die setting and I can still use this skill, so this is how I want to spend the rest of my years."

Henan Leader Views Current Problems, Tasks
*HK260537 Zhengzhou Henan Provincial Service
in Mandarin 2300 GMT 25 Mar 88*

[Text] The 7th Enlarged Plenary Session of the 4th Henan Provincial CPC Committee was held on 24 and 25 March, to relay and implement the spirit of the 2d Plenary Session of the 13th CPC Central Committee. Provincial party committee Secretary Yang Xizong spoke at the meeting. He stressed that the party committees at all levels must tangibly strengthen political leadership, persist in regarding reforms as the dominant factor in all fields, further smooth the various relationships, unite as one, work hard, resolutely implement the responsibility system for targets to be met, and ensure the victorious fulfillment of all tasks this year.

The plenary session was attended by members and alternate members of the provincial party committee, members of the provincial Advisory and Discipline Inspection Commissions, and the principal responsible comrades of all prefectures and cities and of provincial departments. Comrades Yang Xizong, Zhao Di, Hu Xiaoyun, Zhang Zhigang, Zhan Jingwu, Hou Zhiying, Qin Kcai, Song Zhaosu, and Han Jingcao sat on the presidium. Comrades Hu Xiaoyun and Zhao Di relayed Comrade Zhao Ziyang's work report and important speech delivered at the 2d Plenary Session of the 13th CPC Central Committee. Comrade Yang Xizong made a speech.

Comrade Yang Xizong's speech was in four parts: 1) Have a correct understanding of the economic situation in 1987, sum up the useful experiences from it, and strengthen confidence in continuing to advance; 2) further emancipate the mind, strengthen reform consciousness, make reform the dominant factor in all work, and stimulate still faster economic development in the province; 3) further strengthen party building and the building of the cadre force, and insist on governing the party with strictness; 4) strengthen political and legal work and do a good job in social order so as to create an excellent social environment for reforms and construction.

Comrade Yang Xizong said that 1987 was an important and crucial year for Henan, and also a year in which fruitful development was achieved in the national economy. By seriously analyzing the work in 1987, we can sum up many useful experiences. Our basic experience is that economic construction should be the core and reforms should be the dominant factor in all fields. In summing up the reforms in 1987, there are two points we should adhere to: First, we should base our efforts on the province's reality, act in light of local conditions, be flexible in our arrangements, and implement the central policies and principles in a creative way. Second, we must unswervingly grasp to the end those reform measures we have accurately identified, clear away all resistance, and take no notice of interference by idle gossip.

On further emancipating the mind and making reforms the dominant factor in all fields, Comrade Yang Xizong said: We must have the spirit of being bold to make reforms, to forge ahead, and to accept risks. We must emancipate ourselves from ossified criteria for right and wrong, and further emancipate ourselves from traditional economic ideas and the small production concept, from the idea of being content with the status quo and lacking ambition, and from old conventions and frameworks.

Regarding this year's reforms, it is necessary to highlight the following aspects in our specific work:

1. Regard perfecting the contracted responsibility system and popularizing the full-load work method and banks within the factories as the main contents of deepening enterprise reforms, and get a good grasp of this work.
2. We should regard the coastal development strategy as a stimulus and promote Henan's economic take-off by persistently integrating the great international and domestic circles.
3. Speed up reforms of the financial setup and delegate powers to the prefectural and city departments.
4. Vigorously tackle reforms of science and technology, lift restrictions on science and technology personnel, invigorate the research organs, and promote the integration of science and technology with economic construction.
5. Continue to deepen rural reforms, further perfect the land contract system, improve two-level management and the rural services systems, and apply the law of value to guide agricultural production, the better to stimulate the peasants' initiative in production.

On strengthening party building and governing the party with strictness, Comrade Yang Xizong said that in the party's organizational building, it is necessary to introduce the competitive mechanism into cadre management work and fully implement and embody the guideline of appointing people to posts on their merits, paying

attention to people's solid achievements, encouraging competition, and practicing democratic supervision. We must regard investigating and dealing with violations of discipline by leading cadres and party and government organs as the focal point in governing the party with strictness and strictly enforcing party discipline. We must establish and put on a sound basis the system of democratic supervision within the party and ensure that everyone is equal in the face of party discipline.

Comrade Yang Xizong stressed that it is essential to treat party unity, especially the unity of the leadership cores, as a question of principle. We cannot have favoritism between upper and lower levels and between colleagues, and still less is it permitted to divide the cadres into your people and mine and organize small cliques. We must ensure that we say and do nothing harmful to unity.

Comrade Yang Xizong said on the social order question: This question is not one that can be completely resolved by a few campaigns. We must fully understand the long-term nature, complexity, and difficulty of this struggle. We must continue to implement the guideline of cracking down hard, maintain the momentum, and resolutely strike down the arrogance of criminals to ensure the smooth progress of reforms, opening up, and economic construction.

Oil Drilling Machine Developed for Use in Henan
OW260626 Beijing XINHUA in English 1417 GMT 25 Mar 88

[Text] Lanzhou, March 25 (XINHUA)—China's first power-driven machine for drilling 4,500-meter-deep group oil wells was developed here recently and will soon be put into operation in the Zhongyuan oilfield, Henan Province.

Instead of using chains and leather belts, as in the past, the new machine is driven by silicon-controlled direct-current motors, said the designer.

The machine is ideal for such areas as rivers and marshland containing large oil and gas reserves. It can drill up to 60 wells within an area of 400 square meters.

"It has filled a gap in the industry and paved the way for producing 8,000-meter offshore drilling machines," said Chinese experts.

The 650-ton machine, made by the Lanzhou Petrochemical Machinery Plant in this capital of Gansu Province, features an inverted u-shaped derrick. Over 95 percent of its components are made in China.

Southwest Region

Kunming Mayoral Election Fails To Produce Result
HK290731 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1310 GMT 22 Mar 88

[Text] Hong Kong, 22 Mar (ZHONGGUO TONGXUN SHE)—News from Kunming: On the afternoon of 18 March, the Eighth Kunming City People's Congress held a by-election for a new mayor. The election turned out null and void because neither of the two official candidates captured half of the votes cast.

At the beginning of the current mayoral election, only one candidate was officially named. However, most delegates to the congress argued that an election system in which at least two candidates compete for each post should be introduced. Therefore, through consultations an additional candidate was chosen. Moreover, the two candidates delivered their own campaign speeches. However, according to the election results announced on 19 March, one captured 232 votes and the other candidate got 214 votes. None of them got more than half of the 476 votes cast at the congress. Hence, the election did not produce a new mayor. Under these circumstances, the congress decided to act in accordance with the provisions of the "Election Law." The congress stated that the city government would later put forward a bill and, after getting approval from the city People's Congress Standing Committee, one of the incumbent vice mayors would assume the post of mayor on an acting basis.

The mayoral election without any result is the first in Kunming City's history and also a rarity on the China mainland. People here say that this shows the masses of the people have a greater sense of participation in government and political affairs. Moreover, it also shows that the People's Congress, ridiculed by some as "a rubber stamp," has become "tough" in exercising its functions and powers.

North Region

Hebei To Open More Coastal Cities, Counties
OW290427 Beijing XINHUA in English 0221 GMT 27 Mar 88

[Text] shijiazhuang, March 27 (XINHUA)—Two coastal cities and 12 counties in north China's Hebei Province will soon be opened to foreign investors, a provincial official announced today.

The decision, recently approved by the State Council, is designed to speed up the export-oriented economy, technical innovation, and infrastructure construction in the region.

They include the cities of Tangshan and Cangzhou, and Fengnan, Luannan, Leting, Tanghai, Luanxian, Cangxian, Qingxian, Huanghua, Haixing, Changli, Funing, and Lulong counties.

The opening of these regions makes a complete section of 480 km of coastline accessible to the outside world, the official said.

Hebei Province is one of the major grain producers in the country and the key junction for the transportation of coal from Shanxi and the Inner Mongolia Autonomous Region to other areas of China. It boasts splendid harbors, railway and highway networks, and many industrial centers.

Nei Monggol To Improve Power-Generating Base
OW282327 Beijing XINHUA in English 1311 GMT 27 Mar 88

[Text] Hohhot, March 27 (XINHUA)—The Inner Mongolia Autonomous Region will become a major energy center in the country by 2000, a local power industry official told XINHUA today.

During the 1978-1986 period, 8 new power plants with a total installed capacity of 1.37 million kilowatts were built in the region, which was 1.3 times the figure for the previous 30 years.

The region also erected high-voltage transmission lines totalling 8,674 km, 2.5 times the previous 9-year figure.

This year, a 1-million-kilowatt power plant will be built in Fengzhen County, in the western part of the region. In addition, two 100,000-kilowatt generating units are to be installed this year and next, respectively, at a thermal power plant in Baotou.

The official predicted the region's power generating capacity for 1995 will be quadruple the 1985 figure and reach 20 million kilowatts by 2000.

Inner Mongolia boasts [words indistinct] tons of coal, making it the second-biggest coal base in China. Most coal mines here are shallow or open-cut.

In addition, the region has abundant water resources, and all this has paved the way for large-scale construction of power plants.

Shanxi Farmers Mechanize Farm Operations
OW281411 Beijing XINHUA in English 1353 GMT 26 Mar 88

[Text] Taiyuan, March 26 (XINHUA)—An increasing number of farmers in north China's Shanxi Province are mechanizing their family operations.

Since the campaign to install a commodity economy began in the province in 1984, about 400 family farms have become mechanized.

The per capita output value on the farms is 9,000 yuan a year, or 10 times more than what other farmers produce who use the old hand methods, and their income is twice higher than other farmers.

Northeast Region

Heilongjiang Announces Political Reform Plan
SK290448 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 28 Mar 88

[Text] The Heilongjiang provincial Party Committee held a meeting of office cadres on the morning of 28 March to announce the political structural reform plans of the provincial party committee organs.

The reform plan stipulates: The provincial party committee will establish three groups to discuss official business, namely, the financial and economic leading group, the political structural reform leading group, and the political and legal coordination group. The establishment of these groups is aimed at strengthening and improving the provincial party committee's guidance over economic work under the situation of separating party and government functions. After implementing the political structural reform, the provincial party committee will continue the establishment of the general office, the Organization Department, the Propaganda Department, the United Front Work Department, and the policy research office. These offices and departments will basically correspond to central organs.

The plan calls for efforts to realistically accomplish the following: The party committee should mobilize its secretary and deputy secretaries to stick to their work posts and departments to safeguard the party; the Organization Department should gradually change the situation of concentrating main energy on managing cadres and should strengthen the building of the party organizations and systems; the Propaganda Department should reduce administrative work and should strengthen the party's ideological and theoretical construction and the masses' ideological and political work; the United Front Work Department should concentrate efforts on implementing the party's policies and principles concerning the united front work; the general office should strengthen functions in the political affairs sector, do a good job in balancing the provincial situation and reporting it to the higher levels, and grasp the implementation, approval, handling, and examination of the provincial party committee's policy decisions; the policy research office should not study the specific business of various fronts, instead it should strengthen its advisory functions, and serve the party committee's major policymaking.

The political structural reform plan of the provincial party committee organs also put forward that the streamlining of internal organs and personnel set-up of work departments of the provincial party committee should manifest the principle of carrying out the work in a simple and effective way. After implementing the political structural reform plan of the provincial party committee organs, we will basically achieve the goal of separating the party and government functions, initially improving the internal relations of the provincial party committee departments, raising work efficiency, displaying the integral functions of the provincial party committee organs, enabling the personnel set-up of the provincial party committee departments to become more rational, and making public the activities of leading organs of the provincial party committee.

Heilongjiang Officials on Aiding Intellectuals
HK290312 Beijing CHINA DAILY in English
29 Mar 88 p 1

[By staff reporter Guo Zhongshi]

[Text] The government's call for an improvement in the social status and living standards of intellectuals is being heeded by local governments. Four mayors from major cities in China's northernmost Heilongjiang Province aired their views and spoke of specific policies aimed at making intellectuals "The envy of the town" in an interview with CHINA DAILY yesterday.

The municipal leaders, who are now attending the First Session of the Seventh National People's Congress, all work in regions where living conditions are harder than in most other parts of China.

Wang Zongzhang, mayor of Jixi, said the municipal public finance department has recently decided to add eight yuan to the monthly salary of the town's 20,000 or more intellectuals who include engineers, technicians, teachers and all who have a tertiary education and above.

It has also earmarked 1.2 million yuan (about \$330,000) towards the construction of a 3,000 square-metre apartment building specifically for intellectuals, he said, adding that other similar projects will be started at a later stage.

Cong Fukui, leader of Qiqihar, said the city will dispatch some 200 engineers and technicians to leading positions in its 198 townships in order to more effectively guide the production of rural industry.

Starting this year, the city will also encourage intellectuals either to quit their jobs in order to contract businesses or to take on a second job, he said. "This will help them improve their social status and make a buck," he added.

Zhang Hong, mayor of Daqing which is one of the best towns in the province for implementing favourable policies towards intellectuals, said all the intellectuals in his city had been provided with rooms in apartment buildings.

Zhang, himself a college graduate, said efforts will be made to improve the living standards of both primary and middle school teachers in the region in terms of housing and payment.

Local government in the town has made sure that all college students who graduated before 1964 earn more than 200 yuan a month and live in apartments no smaller than 70 square metres, he said.

None of the local intellectuals had wished to transfer their jobs or leave the town in the past few years and the town had seen an influx of intellectuals from other places, the mayor said.

Liaoning Controls Industrial Pollution
OW290601 Beijing XINHUA in English 1143 GMT
28 Mar 88

[Text] Shenyang, March 28 (XINHUA)—Liaoning Province has increased its industrial output value by 70 percent and coal consumption by 35 percent over past 7 years, but the environment of its big cities has not been affected too severely.

In fact, there has been improvement in some areas, according to provincial statistics.

This has been the result of installing more than 10,000 antipollution projects with an investment of 1.5 billion yuan since 1981, an official of the provincial environment protection department said recently.

One of China's most severely-polluted provinces, Liaoning used to discharge more than one sixth of the country's industrial waste gas.

But this is less of a problem nowadays, especially since the Anshan Iron and Steel Works invested 94 million yuan in building 8 antipollution projects, said the official.

The official also said that the province is seeking cooperation with foreign countries in pollution control.

Liaoning Building China's Largest Dock
OW281258 Beijing XINHUA in English 1200 GMT
25 Mar 88

[Text] Dalian, March 28 (XINHUA)—Construction of China's largest dock will begin in Dalian shipyard, Liaoning Province, late this year.

An official of the shipyard said the dock, capable of handling 300,000 dwt ships, offshore drilling platforms or two 60,000-dwt ships at a time, will be built with bank loans raised both at home and abroad.

It should be built in three years, officials here said today.

Dalian Port is a deepwater one and suitable for the construction of large ships. At present, the Dalian shipyard has only one dock, which can construct 15,000-dwt ships.

Northwest Region

Ningxia People Assess Work of Officials

OW281306 Beijing XINHUA in English 1122 GMT
28 Mar 88

[Text] Yinchuan, March 28 (XINHUA)—Ningxia Hui Autonomous Region is pioneering a reform in China's core system—letting the people assess the work of leading officials.

So far 250 officials at the county level have gone through what is known in the current Chinese terminology as "democratic mass assessment".

According to Gao Shuqin, deputy director of the Organization Department of the regional party committee, the officials are obliged to report to the public their strong points and shortcomings in their work.

The people are free to air their opinions about their ability, competence, moral character, achievements and attitude toward work.

Based on the assessment of the higher authorities and the people, Gao said, the officials are classified into four grades—ranging from the "excellent" to "incompetent".

The authorities will then decide whether to promote or demote an official or even remove him from his post, Gao added.

A vice-mayor of Wuzhong City described the report to the public as a process of "self-portraying".

"But that process is helpful, in that it shows me how to work better," he said.

Shaanxi's Zhang Intervenes in Factory Dispute

HK270731 Xian Shaanxi Provincial Service
in Mandarin 0030 GMT 27 Mar 88

[Text] After the former (Qinxi) machinery plant had been merged with another plant, certain individuals there cut off the electricity and padlocked the doors. This resulted in the plant being closed for 8 days which caused a direct loss of over 70,000 yuan. After hearing a report on this incident from journalists, provincial party committee

Secretary Zhang Boxing demanded that the provincial National Defense Science, Technology, and Industry Office send effective personnel to the plant to resolve its problems.

(Qinxi) machinery plant was a small collective-owner-ship plant. Due to poor management, the plant ran at a loss for year after year and piled up debts of as much as 1 million yuan. It was on the verge of bankruptcy. Last December, with the help of the upper-level departments in charge and the provincial National Defense Science, Technology, and Industry Office, it was agreed that the plant should be merged with the provincial Qianjin machinery plant, and its name should be changed to the Xian branch of the Qianjin machinery plant. Both plants agreed to this merger. After the merger, the general plant invested 700,000 yuan in establishing a high-tension vacuum circuit-breaker production line. With a main product the plant's prospects improved. Workers' wages and the pension fund for retired workers were assured. This new development in reform was endorsed by the provincial departments concerned.

Sometime after 0900 on the morning of 1 March, certain individuals of the former (Qinxi) machinery plant arbitrarily cut off the electricity and padlocked the factory gates. This was done under the pretext that questions of their welfare and of switching from collective to whole-people ownership had not been resolved. The whole factory came to a halt. When this happened, the provincial National Defense Science, Technology, and Industry Office dispatched personnel there on numerous occasions to persuade and educate these people; but the so-called representatives of the masses totally ignored them. During this period, they also used the seal of the former (Qinxi) machinery plant, which was no longer valid, to advertise in the press for leasing the building. This delayed a contract order worth 60 million yuan [as heard] for the plant, and caused major losses for the enterprise.

Yesterday morning, the provincial National Defense Science, Technology, and Industry Office twice sent people to this plant to solve the problems. Comrades from XINHUA and provincial and city media units also repeatedly reasoned with three representatives of the workers to explain the gains and losses. At 1406 in the afternoon, they finally turned on the electricity again and unlocked the gates and doors. The plant started to resume production.

After learning of this incident yesterday from the press, Secretary Zhang Boxing thanked the media for their attitude in showing concern and in doing positive work. He demanded that the provincial National Defense Science, Technology, and Industry Office dispatch effective personnel to the plant to carry out thorough and meticulous ideological work and help to resolve left-over problems.

Xinjiang Controls Hepatitis Epidemic
*OW290511 Beijing XINHUA in English 1628 GMT
28 Mar 88*

[Text] Urumqi, March 28 (XINHUA)—Doctors have brought a non-A non-B hepatitis under control, 18 months after it began spreading in southern Xinjiang.

This was announced today by Li Guoyong, deputy director of the Xinjiang Uygur Autonomous Regional Health Bureau.

The disease, identified as different from all the types already known in China, began spreading in parts of southern Xinjiang in September 1986.

According to the official, responsible were poor sanitation facilities and polluted drinking water.

The State Council, China's highest governing body, lost no time to send medical teams to the epidemic areas to help Xinjiang doctors fight the disease.

While patients were being treated, local governments strengthened the supervision over food production and sales, Li added.

Outbreak Confined

*HK290555 Urumqi Xinjiang Regional Service
in Mandarin 1230 GMT 25 Mar 88*

[Excerpts] According to this afternoon's press conference held by the autonomous regional people's government, thanks to the loving concern of the party central authorities, the State Council, the autonomous regional party committee, and the autonomous regional people's government, and with the energetic support provided by people of all nationalities throughout Xinjiang, the hepatitis epidemic induced by intestinal infection rampant in some villages in southern Xinjiang has been brought under control.

In September 1986 a hepatitis epidemic occurred in (Doulu) Village, Lop County, Hotan Prefecture, southern Xinjiang. It then spread to a number of counties in Hotan, Kashi, and Kizilsu where it proliferated. To date there has been a total of over 122,000 cases of this disease, with the death rate reaching 0.54 percent.

According to an epidemiological analysis based on investigative reports, there are several major reasons for the hepatitis epidemic induced by intestinal infection rampant in these areas.

First, some rural areas with poor sanitary conditions have done a poor job of managing drinking water sources.

Second, some peasants drank unboiled water, thus being infected with hepatitis in their intestines. [passage omitted]

Chen Minzhang, minister of public health and head of a State Council work team, visited the areas infected with hepatitis at the end of October last year. During the visit the minister inspected and directed hepatitis prevention and treatment, and improvements to drinking water sources.

The autonomous regional party committee and autonomous regional people's government have given first place to hepatitis prevention; established a regional command post for hepatitis prevention and treatment; held many special meetings to study and arrange preventive action; sent large numbers of medical workers to infected areas to carry out hepatitis prevention and treatment; and made adequate arrangements for the daily life of the people in infected areas, thus firing the enthusiasm of the masses there and strengthening their confidence in overcoming the disease. [passage omitted]

To date, 97.88 percent of the patients have recovered from their illness. There has been a great reduction in the number of new patients and the hepatitis epidemic has already been brought under control. The current political and economic situations in southern Xinjiang are very good. People of all nationalities there live and work in peace and contentment. [passage omitted]

Taiwan Denies Plans To Build Nuclear Weapons
HK251527 Hong Kong ZHONGGUO TONGXUN SHE
in Chinese 1310 GMT 22 Mar 88

[Report: "Taiwan Official Says Taiwan Will Not Build Any Nuclear Weapons"]

[Text] Hong Kong, 22 Mar (ZHONGGUO TONGXUN SHE)—Taiwan dispatch: Despite its possession of the capability to build nuclear weapons, the Taiwan Nuclear Research Institute will never build any such weapons, stated yesterday Yen Chen-hsing [7051 2182 5281], director of the Atomic Energy Commission under the Executive Yuan.

Earlier this year it was reported that Chang Hsien-yi, deputy director of the research center for nuclear energy under Taiwan's Sun Yat-sen Institute of Science [zhongkeyuan 0022 4430 7108], had fled to the United States, carrying with him classified data from the "Ministry of Defense." It was in this way that the secret of Taiwan developing nuclear weapons "was brought to light," arousing strong reactions from all sides.

It was against this background that Yen Chen-hsing made this statement. Yen admitted that when the research center for nuclear energy was first founded, it engaged in nuclear weapons research. Later, Taiwan initialled the Nuclear Nonproliferation Treaty and accepted all-around IAEA supervision. Taiwan has since then adhered to its promise. Although it possesses the capability to build nuclear weapons, it will never build any such weapons.

Taiwan To Reduce Army by 10,000 Troops
HK270600 Hong Kong ZHONGGUO TONGXUN SHE
in Chinese 1314 GMT 25 Mar 88

[Report: "Taiwan To Reduce Its Army by 10,000 Troops This Year"]

[Text] Hong Kong, 25 Mar (ZHONGGUO TONGXUN SHE)—According to a report from Taipei, Taiwan's defense minister, Cheng Wei-yuen, yesterday announced to the "Legislative Yuan" that Taiwan will reduce its Army by 10,000 men this year, and that this disarmament will mainly take place in the ground forces.

At present Taiwan has 450,000 troops in active service. Cheng Wei-yuen said that in order to carry out the policy for streamlining the Army, Taiwan will expand the scale of disarmament in a planned way and will reduce redundant troops every year. It is planned that another 20,000 troops will be reduced in the future.

Guangdong Refutes Forged Document on Taiwan
OW272351 Beijing in Mandarin to Taiwan 0400 GMT
26 Mar 88

[Text] Some people have usurped the name of the Guangdong Provincial Public Security Department and forged documents with the ulterior motive of distorting and vilifying the mainland government's policy on Taiwan. A responsible person of the department announced this at a news briefing in Guangzhou yesterday.

The responsible person said: Some people in Hainan, Shantou, and Jiangmen have reported recently to the public security organs that, attached to the letters written to them by their relatives in Hong Kong, Macao, and Southeast Asia, they have found some so-called points for attention with regard to Taiwan's lifting of the ban on family visits to the mainland. These were printed supposedly by the Guangdong Provincial Public Security Department. It is urged allegedly that there be heightened vigilance against the Taiwan compatriots returning to the mainland for family visits, that close scrutiny of the manifestation of these people's thoughts and actions be maintained, that all data be recorded in detail and kept on file, that some of them be arrested on the spot for prosecution in accordance with the law, and so on.

In view of this, the responsible person of the Guangdong Provincial Public Security Department declared solemnly that the department has never distributed the alleged document mentioned earlier. He said: It can be said with certainty that such printing matter was dished out by some people hostile to us by resorting to despicable means and usurping our name. He said it is hoped that the compatriots in Taiwan, Hong Kong, and Macao, their relatives, and all other Chinese people will not be taken in by such lies.

The responsible person said: It has been learned that, since the Taiwan authorities gave their permission for some of the Taiwan compatriots to return to the mainland for family visits, over 60,000 Taiwan compatriots have entered Guangdong for this purpose. All ports and public security organs in our province have been doing all they can to make things easier for the Taiwan compatriots returning to inland areas for family visits. They have experienced personally the warm feelings the mainland has for them as their motherland. All this is known to everyone.

Taiwanese Urged To Invest in Hainan Island
OW281025 Beijing in Mandarin to Taiwan 0205 GMT
21 Mar 88

["Rambling Talk on State Affairs" by (Liu Wei)]

[Excerpts] As our listener friends know, Taiwan is China's largest island, and Hainan Island its second largest. [passage omitted]

To accelerate Hainan's development, the PRC State Council suggested on 28 August 1987 that Hainan Island be upgraded to be a province. The proposal was examined by the 22d Session of the 6th NPC Standing Committee, and will be submitted to the 1st Session of the 7th NPC for approval. [passage omitted]

After Hainan becomes a province, the state will implement its policies for special economic zones there. In other words, Hainan Province will enjoy greater independence and flexibility so that it will be easier to attract investment and qualified personnel from at home and abroad, thus arousing the initiative of all quarters to develop and build Hainan, bringing about great economic development in a short time there, and making Hainan more important economically in China. [passage omitted]

Taiwan relies mainly on export trade and has a large trade surplus. Its foreign exchange holdings amounted to \$70 billion in 1987. It needs to find overseas markets for this money. It must also find new markets for its trade because its trade surplus has caused greater and greater protectionism on the part of the United States.

Hainan Province will be a new province of the mainland and its largest special economic zone to use overseas capital. If immediate interests are considered, it can be a very good market for Taiwan's goods. If long-range interests are considered, it will be a very good place for investment and a supply base for energy and raw materials. If Taiwan's capital, technology, and industrial management and banking personnel can be combined with Hainan's natural resources, including minerals and aquatic products, both places will benefit in economic development.

Mr (Chen Jicheng), a Taiwanese compatriot who lives in the United States and is vice president of the Weiqi [Go chess] Association of Chinese Nationals in Los Angeles, said on his visit to Hainan that Taiwanese businessmen are eager to do business with the mainland, particularly with Hainan, and that several Taiwanese businessmen had asked him to get some information on investment in Hainan.

New Policy for Mainland Publications Announced
HK270440 Beijing ZHONGGUO TONGXUN SHE
in Chinese 1316 GMT 25 Mar 88

[Report: "Shao Yu-ming on Taiwan Authorities' Principle for Handling Mainland Publications"]

[Text] Hong Kong, 25 Mar (ZHONGGUO TONGXUN SHE)—According to reports from Taipei, Shao Yu-ming, director of Taiwan's Information Department, said yesterday that as long as mainland publications do not violate the basic "national policies" of Taiwan, do not propagate communism, and are not written by cadres of the CPC, the Taiwan authorities will not

prohibit them from being circulated in Taiwan. If Taiwan publishers want to reprint mainland publications, they should first obtain authorization from the authors so as to show respect for their rights.

At an Information Department news briefing yesterday, Shao Yu-ming stated the following points on mainland publications: First, the publications are the results of painstaking efforts by intellectuals on the mainland, so they do not belong to the communist regime (except for works by Communist Party cadres), but are the wealth of the entire Chinese nation. As long as the publications do not propagate communism and do not violate "national policies," they can also be enjoyed by the people in Taiwan. Second, the rights of authors whose mainland publications are circulated in Taiwan will be guaranteed.

As for mainland publications brought back to Taiwan by people who return from the mainland, Shao Yu-ming said that in the past, publications printed with simplified characters were all confiscated in principle. Henceforth, those complying with the above-mentioned principles can be brought into Taiwan for personal reference, and some of the books that were confiscated in the past can be retrieved by their owners.

He also said that mainland publications for academic purposes and for personal use can be brought into Taiwan with the user's signature or the school's certificate. If the book is to be reprinted in Taiwan, it must go through censorship procedures.

Shao Yu-ming said that Taiwan has not lifted the ban on mainland movies.

Anhui Writer Demands Royalties From Taiwan
HK280915 Beijing ZHONGGUO XINWEN SHE in
Chinese 0334 GMT 23 Mar 88

[Report: "An Anhui Writer Demands Renumeration From a Taiwan Publishing House for Reprinting Two of His Writings"]

[Text] Hefei, 23 Mar (ZHONGGUO XINWEN SHE)—Jiang Yuanqin, former chief librarian of the Anhui Provincial Library and currently honorary librarian of the Anqing City Library, demanded remuneration recently from a Taiwan publishing house that had reprinted his writings.

Mr Jiang, who is almost 90 years old, said that during the 1930's when he was working in the Anhui Provincial Library, he wrote two books—"A History of the Study of Proofreading" and "The Evolution of the Chinese Method of Book Classification." The first book was published by the Commercial Press in 1935, and the latter was published by the Chung Hua Bookstore in 1937. Both books have been out of print for the past few decades. It is known that these two books were reprinted in Taiwan. In April 1983, the "third Taiwanese edition"

of "The Evolution of the Chinese Method of Book Classification" was reprinted by Taiwan's Chung Hua Bookstore. When this book was first published in 1935 by the Shanghai Chung Hua Bookstore, the author and the publishing house signed a contract that stipulated that the author is entitled to a 15 percent publishing royalty. This contract was fulfilled and the amount of money involved collected. Now this book has been reprinted three times by the Taiwan Chung Hua Bookstore, and the author claims that an author's remuneration should be paid to him.

Jiang Yuanqing said: "According to the article 'The General Situation of the Publication of the Articles on Bibliography and Library Science in Taiwan' by Huang Zhenwei [7806 6966 0251], published in the 5th issue of the 'Library Journal,' edited and published by the Shanghai Library in 1987, Taiwan has photocopied and reprinted several tens of articles from the mainland, and 'A History of the Study of Proofreading' is one of them. Therefore, the Taiwan publishing company that reprinted my book should pay me for it."

Jiang Yuanqing said that since there is still no postal communication or remittance service between the mainland and Taiwan, he submitted a letter seeking assistance to the Taiwan Compatriot Reception Office in Anqing.

Press Association Invites Writers to Asian Games
OW271714 Beijing XINHUA in English 1445 GMT 27 Mar 88

[Text] Shunde, Guangdong Province, March 27 (XINHUA)—The Chinese Sports Press Association (CSPA) sent a message today to the Chinese Taipei Olympic Committee, inviting its sports writers to cover the 11th Asian Games in Beijing in 1990.

The message was passed at the CSPA's third council meeting which ended in Shunde, Guangdong Province, today.

Taiwan Invited to National Peasant Games
OW272301 Beijing XINHUA Domestic Service in Chinese 1208 GMT 26 Mar 88

[By reporter Wang Yuelong]

[Excerpt] Beijing, 26 Mar (XINHUA)—On behalf of Chen Xitong, chairman of the Organizing Committee of the First National Peasants Games and mayor of Beijing, a spokesman today briefed this reporter on preparations for the games.

The spokesman said: Preparations for the First National Peasants Games are under way. A few days ago, Xiao Peng, chairman of the Chinese Peasants Sports Association, which is one of the sponsors of the games, sent a letter to the Taiwan Peasants Association to officially invite Taiwan peasants to take part in the games, scheduled to open in Beijing this October. The letter also welcomes Taiwanese compatriots from all strata to visit as tourists during the games.

Xiao Peng also sent letters of invitation to Hong Kong and Macao. [passage omitted]

Opposition Demonstration Calls for New Elections
HK291026 Hong Kong AFP in English 1014 GMT
29 Mar 88

[Text] Taipei, March 29 (AFP)—Some 3,000 opposition supporters drove through Taipei streets Tuesday in a demonstration calling for new elections to replace ageing congressmen, witnesses said.

The demonstration, coloured by a lion dance and rock music, was organised by Chu Kao-cheng, a radical legislator of the Democratic Progressive Party (DPP).

Mr. Chu said new elections were needed to replace congress members, many of whom were in their 70's and some in their 90's who were installed nearly 40 years ago and later given life tenure of their seats.

DPP members and their supporters from around the island assembled in the Dr. Sun Yat-sen Memorial Hall to hear party leaders urging senior congressmen to make way for younger politicians.

Only 96 of 312 congressmen and 84 of the 851 members of the national assembly were elected in Taiwan. The rest were elected in mainland China before Taiwan's ruling Kuomintang (KMT) fled following the victory of the communists.

DPP acting chairman Hsu Jung-shu said the party hoped to motivate an island-wide protest following Tuesday's protest. He did not specify a date.

The DPP, formed in 1986 by about 160 dissidents, won 23.5 per cent of the seven million votes cast in December 1986 elections for the Legislative Yuan and the National Assembly.

Mr. Chu said that based on the outcome of the 1986 election, his party should have some 75 seats in the Legislative Yuan instead of the 13 it currently holds.

Diverted Flight From Beijing Lands in Kaoshiung
HK281510 Hong Kong AFP in English 1504 GMT
28 Mar 88

[Text] Taipei, March 28 (AFP)—A Hong Kong-bound flight from Beijing landed in Kaoshiung city Monday, making it the first commercial aircraft to fly direct from China to Taiwan since 1949, according to informed sources here.

Cathay Pacific Flight 329 from Beijing to Hong Kong was diverted to the southern city of Kaoshiung after fog and poor visibility prevented it from landing in Hong Kong or the nearby Chinese city of Guangzhou, the sources said, adding that the flight landed at 7:20 p.m. local time.

About 100 passengers on board were forced to remain on board the aircraft during a one-and-a-half hour refuelling stop in Kaoshiung, the sources said.

They added it was the first time a commercial aircraft had flown directly from China to Taiwan since the Nationalist Kuomintang (KMT) government fled the mainland in 1949 and enforced its strict policy of no negotiations, no contacts and no compromise with the communist regime.

A spokesman for Cathay Pacific in Hong Kong said the TriStar 10-11 had landed safely in Hong Kong late Monday.

In May 1986 a defecting Taiwan pilot of the national flag carrier China Airlines (CAL) commandeered a CAL Boeing 247 to the southern Chinese city of Guangzhou, while on a flight from Bangkok to Hong Kong.

Taipei and Beijing officials later met in Hong Kong to arrange for the return of the cargo plane and the two other crew members to Taiwan — the first direct talks between the two sides in 37 years.

Defecting air force pilots from both sides have been known to fly across the Taiwan Strait since 1949.

Taiwan To Reduce Number of Troops by 10,000
OW282304 Taipei CHINA POST in English
25 Mar 88 p 16

[Text] The Republic of China plans to slash its troops by 10,000 this year to cut costs, Defense Minister Cheng Wei-yuan said yesterday.

Replying to an interpellation by opposition lawmaker Chu Kao-cheng in a close-door session of the legislature's defense committee, Cheng said his ministry will continue to reduce the size of the nation's troops, especially that of the Army.

In a press conference after the meeting, Chu said he had asked the Defense Ministry to cut its troops and use the excess money to develop intermediate-range intercontinental ballistic missiles.

According to a fiscal 1989 national budget passed by the Executive Yuan early this month, spending for national defense had been reduced to 33.6 percent of the overall budget from last fiscal year's 34.2 percent.

Taipei is not alone in its troop reduction efforts. Last year, Peking announced that it had cut its troops by one million to streamline its armed forces.

Media Comments on Mainland's NPC, Work Report

NPC Reviewed

OW281245 Taipei CHINA POST in English
26 Mar 88 p 4

[Editorial: "Chinese Communist National Congress"]

[Text] The opening yesterday of the Seventh Chinese Communist National Congress will usher in not only a reshuffle of Chinese Communist top echelon personnel but also some intense power struggles among the leaders.

According to preliminary reports Zhao Ziyang (Chao Tsu-yang) will remain Chinese Communist Party chairman but Li Peng will become the premier. Both have shown some difference in views on many key issues and their struggle for power will now begin to unfold.

However, Deng Xiaoping's (Teng Hsiao-ping) hope of bringing in new and younger people to the top positions has not been materialized. Judging from the list for state president, chairman of the congress and president of the political consultation committee, the proposed replacements are not younger but old cadres. Even retired cadres still retain some positions of considerable influence, a fact not to be overlooked.

The meeting will last three weeks and it is too early to predict what will happen during this time and what problems will remain unsolved. But the economic and financial situations will receive much attention and cause heated debates. The Chinese Communists have failed to achieve their goals with the economic reforms they made. Instead of great improvements, economic crises have cropped up and inflation has spiralled to an alarming degree.

Even since the relaxation of regulations for the people of the ROC [Republic of China] to visit their relatives on the mainland, many who visited the mainland reported upon their return the miserable conditions in Communist China, which remains in a state of poverty and backwardness. The people are reported to be living in a state of poverty while the cadres are living like kings and wealthy capitalists. Compared to the ROC, the Chinese people on the mainland are truly living in hell while the people here are living in paradise enjoying the luxury of modern living, freedom and democracy.

The Seventh National Congress will not only have to solve economic problems in order to rescue the Peking regime from economic failure but also financial problems that are verging on bankruptcy. In mid-March, the Chinese Communist foreign exchange reserves dwindled to around US \$3 billion due to the budgetary deficit incurred in 1987 and now amounting to more than US \$30 billion.

The Chinese Communist foreign debts have reached US \$30 billion and the Peking regime is unable to repay the debts in the foreseeable future.

It is doubtful whether the Seventh National Congress can find an effective means to combat inflation, which in 1987 ranged between 7.2 to 7.6 percent with the rise in consumer prices. It will soon get worse as natural calamities on the Chinese mainland have led to the worsening of the economic and financial situations at every turn.

It is quite clear that the congress will not be able to settle many serious problems. It will be a face-saving meeting to patch up the situation with no real solutions being found.

Views Li Peng's Report

OW281251 Taipei International Service in English
0200 GMT 28 Mar 88

[Station commentary: "Li Peng's Carrot and Stick"]

[Text] In the keynote speech at the opening session of Communist China's National People's Congress, Acting Premier Li Peng used a carrot and stick approach in setting a tone not only for the meeting itself, but also for Mainland China's development over the next 5 years.

In a mild surprise, Li gave a resounding call for the continuation of the current reform program led by Communist China's paramount, though semiretired leader, Teng Hsiao-ping [Deng Xiaoping]. Li, who is a Soviet trained technocrat, is often viewed as being in the conservative faction of the Communist Party, and therefore cool to many of Teng's economic reforms. But Li gave little hint of that as he urged the 2,970 delegates to "stay the course" and keep reform at the center of the mainland's development.

But Li did take a few minutes of his speech to address some of the conservative criticisms about the economic reforms. He mentioned the need for vigilance in combating inflation, which he called the single most worrisome problem, and the need to raise agricultural investment and combat economic crimes by those privileged few who seek personal gain in the market reforms.

The strong support for the reform program turned out to be Li's carrot; the stick came later when he approached the subject of Western influence in Communist China and the issue of secessionism as it pertains to Tibet and Taiwan.

Li waxed cautious about the degree to which Western culture is influencing Communist China today. He maintained that the open-door policy should not mean a reckless abandonment of Communist ideals, and that some Western ideas must be held in check.

Li saved his toughest statements for Tibet. He called for severe punishment of any Tibetan nationalists who take part in anticommunist rioting in that remote Himalayan region. He said the recent violence there was caused by a handful of separatists who committed grave acts against the motherland.

While covering points about Peking's current policy toward Taiwan, Li departed from his written text and added some impromptu remarks about the Taiwan independence movement. Li reiterated that the communists are opposed to any secessionist act, from within the island or without. He repeated earlier warnings that Communist China would not stand idly by should Taiwan independence activities hamper unification efforts with Taiwan. Observers agreed that Li added the section on Taiwan independence both to repeat that warning, and to allude once again to the Tibetan issue.

Li was equally stern about recent problems in Communist China's relations with the United States. He warned that recent attacks on Peking's human rights policies from U.S. Congress would serve to derail Peking-Washington relations. He called those relations generally stable and said Peking hopes Americans "will realize that it is not only in the interest of Communist China but also the United States to have normal relations."

The National People's Congress will now try to set a direction for Communist China's development in the next 5 years. If Li's speech is any indication, Communist China will continue to soften on the economic front, while staying hardnosed on politics.

Mainland Students' Passport Requests Considered
OW282334 Taipei International Service in English
0200 GMT 28 Mar 88

[Text] Requests for ROC [Republic of China] passports by mainland students studying abroad will be handled on a case by case basis. An official of the Ministry of Foreign Affairs said that ROC missions in foreign countries will treat their applications for passports as requests for asylum, which will be handled individually. The official was commenting on press reports from the United States that mainland students on American campuses had threatened to either seek asylum abroad or apply for ROC passports if Peking does not revoke its decision to sharply curtail its overseas advanced study program for college graduates.

Peking's measure to restrict overseas study is seen as a bid to plug a brain drain. In the past 9 years, Mainland China sent 27,000 students to the United States, but only 9,000 returned. The new measure will reduce the number of students Peking sends abroad and also shorten their overseas stay. It is reported the mainland students in the United States are greatly agitated by Peking's tightening of the screws. They have protested the new policy as

contradiction of Teng Hsiao-ping's [Deng Xiaoping] open-door policy. Some of them are reportedly planning to launch a signature drive opposing the new restrictions.

East Europe Trade Attracts U.S. Attention
OW290254 Taipei Domestic Service in Mandarin
2300 GMT 27 Mar 88

[Text] The Republic of China's [ROC] decision to remove restrictions on direct trade with seven East European countries immediately caused the close attention of the U.S. Administration.

The American Institute in Taiwan has already passed on to the ROC the message that it should exercise self-restraint in not exporting high-technology products to East European markets. The Board of Foreign Trade under the Ministry of Economic Affairs noted that the U.S. Government has constantly prohibited free countries from selling high-technology products and know-how to communist and socialist nations lest the overall security and defense systems of the free world be compromised.

Ecuadorean Vice President Continues Visit

Press Views Purpose

[CHINA POST 25 Mar]
OW282313 Taipei CHINA POST in English
25 Mar 88 p 16

[Text] Ecuadorean Vice President Blasco Penaherrera Padilla arrived here yesterday for a nine-day visit, raising speculation that he may be here to discuss Ecuador's recognizing Taipei and Peking simultaneously, political analysts said.

The Foreign Ministry usually keeps a low profile on visits by government officials of foreign countries that do not have diplomatic relations with Taipei. But the ministry issued a short statement Wednesday on Penaherrera's visit.

The statement said Penaherrera and his entourage will call on Premier Yu Kuo-hua, foreign Minister Ding Mou-shih and other government officials.

Penaherrera's visit comes two days after Wei Yung, chairman of the cabinet-level Research, Development and Evaluation Commission, presented the idea of "dual recognition" during a Legislative Yuan session.

When a legislator asked foreign Minister Ding Mou-shih if the ROC [Republic of China] would accept "dual recognition," Ding declined comment on what he said was a hypothetical question.

Ecuador is said to be one of four countries interested in simultaneously recognizing Taipei and Peking. The ROC and Ecuador severed diplomatic relations in 1971, but formal relations between Ecuador and Communist China were not established until 1980.

Despite the absence of diplomatic ties, relations between the ROC and Ecuador have remained close.

Taipei set up a representative office in Quito, the capital of Ecuador, in 1977 and the South American country established a representative office here six years later. At present, Taipei's two representative offices in Ecuador are allowed to use the national name, "the Republic of China."

Ecuador supplies Taiwan with oil, one of its major exports and hard currency earners. In 1986, Taiwan was Ecuador's third largest trading partner.

The mass-circulation CHINA TIMES said in an editorial yesterday that Wei's dual recognition concept is "one way out of diplomatic isolation."

"A flexible foreign policy can maintain the nation's interests far better than the policy of not compromising with the Chinese Communists," the newspaper said.

"Diplomatic recognition should not be mixed with national unity," the TIMES said, adding that "although theoretically there is only one China, it is a fact that Mainland China cannot be recovered from the communists and China cannot be reunified for a considerable period of time... and the government must realize this."

Premier Hosts Banquet

*OW260333 Taipei CNA in English 0234 GMT
26 Mar 88*

[Text] Taipei, March 26 (CNA)—Ecuadorean Vice President Blasco Penaherrera Padilla said in Taipei Friday that the Republic of China's [ROC] successful economic development in recent years serves as a model for developing countries to emulate and Ecuador hopes that it can further enhance its cooperation with the ROC.

He pointed out that, although Ecuador and the ROC are far apart geographically, they are very close with each other spiritually.

Penaherrera made the statement at a banquet hosted by Chinese Premier and Mrs. Yu Kuo-hua at the Grand Hotel in honor of the Ecuadorean vice president and his wife who arrived in Taipei Thursday for a 9-day visit.

In their meeting before the banquet, Premier Yu warmly welcomed the Ecuadorean dignitary for coming to visit the ROC.

Yu pointed out that although the ROC and Ecuador do not have diplomatic relations, both countries are dedicated to upholding freedom and democracy, and attaching great importance to their peoples' well-being.

The premier said he deeply believes that, through Penaherrera's visit to the ROC, the mutual understanding and friendship between the two countries will be further enhanced and their cooperation ties will be further strengthened.

Government and Kuomintang leaders invited to the banquet included Li Huan, secretary general of the KMT Central Committee; Vice Premier Lien Chan, Defense Minister Cheng Wei-yuan, and Foreign Minister Ding Mou-shih.

While here, the Ecuadorean dignitary will call on ranking government officials and visit economic and cultural establishments.

Saudi Arabian Trade Mission Arrives for Visit

*OW281359 Taipei CNA in English 1200 GMT
28 Mar 88*

[Text] Taipei, March 28 (CNA)—A 28-member mission organized by Saudi Arabia's Chamber of Commerce arrived in Taipei Monday for a week-long visit.

The group is led by Al-Mu'ajjal, president of the Saudi Chamber of Commerce.

During their stay here, the Saudi visitors will call on Economics Minister Li Ta-hai, Vice Foreign Minister Charles Shu-chi King and other trade officials. They will also meet with leading industry executives to promote economic cooperation between the two countries.

The Saudi visitors will depart April 3.

Hong Kong

XINHUA Officials on Future of Hong Kong

Director on Economic Role

OW290745 Beijing XINHUA in English 0630 GMT
29 Mar 88

[Text] Beijing, March 29 (XINHUA)—Xu Jiatun, director of XINHUA NEWS AGENCY's Hong Kong branch, said here today that Hong Kong will play an increasing role in the world economy along with China's implementation of the strategy for economic development of its coastal areas.

Xu, who is attending the ongoing session of China's National People's Congress in Beijing, told XINHUA that Hong Kong experienced its second peak of economic development last year. Although Hong Kong was affected by the sharp decline in the world stock market, its economic growth came to two digitals, [as received] second only to that of 1967 when it made its economic take-off.

At the same time, Xu said, Hong Kong has increasingly become an international city. Britain-based consortiums began to invest in Hong Kong in the second half of 1985, having realized the importance of Hong Kong as a bridge for economic contacts between China's mainland and Southeast Asia.

Meanwhile, he said the United States, Japan, South Korea and Middle East countries have also intensified their efforts to explore the Hong Kong market, resulting in a shortage of office buildings on the island.

"All this happened to the surprise of some pessimists," noted Xu Jiatun.

Backed up by the vast area of China's mainland, Hong Kong has strengthened its competitiveness in the world economy. Hong Kong's investment now accounts for some 60 percent of the total overseas investment on the mainland.

According to Xu, Hong Kong's industry is undergoing structural adjustment and technological upgrading. The cheap labor and large scientific and technical force on the mainland can help Hong Kong reduce production costs and expand exports.

He estimated that over one million people on the Pearl River Delta are now engaged in processing for Hong Kong. On its part, Hong Kong is using more and more research facilities on the mainland.

Xu attributed Hong Kong's economic development partly to the successful settlement of the Hong Kong question between the Chinese and British governments.

This has ensured Hong Kong's stability for a long time to come and enhanced other countries' confidence in it, he said. Hong Kong's adaptability to changes in the world economy and the enterprising efforts of Hong Kong people are also important factors for its economic growth, Xu pointed out.

He stressed that reforms and the open policy have made China, a country of one billion people, an increasingly attractive market. This has not only enabled Hong Kong to make use of the advantages provided by the mainland but also strengthened Hong Kong's status in the world economy.

He noted that many foreign financial groups intend to invest on the mainland via Hong Kong. This is Hong Kong's edge over Southeast Asian countries and regions.

True, he said, economic development of the Asian-Pacific region is drawing growing attention and has become an important factor in the world economy.

"With the implementation of China's strategy for developing an export-oriented economy in its coastal areas, Hong Kong will enter a new era of fast economic growth," Xu predicted.

Deputy on Local Branch

HK291130 Hong Kong HSIN WAN PAO
in Chinese 29 Mar 88 p 1

[Special Dispatch by HSIN WAN PAO Reporter Liang Chia-chuan (2733 1367 2938) from Beijing on 29 March: "Zheng Hua on the Functions of the XINHUA Hong Kong Branch"]

[Text] Zheng Hua, deputy director of the XINHUA Hong Kong branch, this morning told some Hong Kong reporters in Beijing that although the State Council will carry out administrative structural reforms, the XINHUA Hong Kong branch will continue to perform the dual functions of administrative and journalist institutions. In many aspects, the State Council still will manage the branch's work directly; because after 1997, the Chinese Constitution still will not apply to Hong Kong and there will be special conditions under the principle of "one country, two systems." Therefore, if Xu Jiatun is elected to the NPC Standing Committee, he may continue to be director of the XINHUA Hong Kong branch.

Zheng Hua pointed out: Under the principle of "one country, two systems," Hong Kong will maintain a social system that is different from that on the mainland. So the XINHUA Hong Kong branch will not face the issue of separating the party from the government or separating the government from the enterprise. The branch's work in many aspects will remain under the direct control of the State Council.

He said: The XINHUA Hong Kong branch has always performed the dual functions as an administrative institution and as a journalist institution. The branch has relations with the XINHUA headquarters in the field of journalism. But, it also plays an administrative role; it has to maintain contacts with the Hong Kong Government after the signing of the Sino-British Joint Declaration and has to deal with many administrative affairs. Yesterday, State Councillor Song Ping delivered a report about the scheme of the State Council's administrative structural reform. He said the XINHUA NEWS AGENCY will be changed into a professional institution under the State Council and will not be an administrative institution. However, Zheng Hua stressed that under the special conditions in Hong Kong, the XINHUA Hong Kong branch will not change its functions and will not reduce its personnel. In fact, he revealed that the branch will strengthen its functions and increase its personnel according to the increase in work loads.

According to sources, Xu Jiatun was nominated to be a candidate of the Seventh NPC Standing Committee. According to China's Constitution, NPC Standing Committee members cannot be appointed to be officials in any government institution. So some people doubted whether he would maintain directorship of the XINHUA Hong Kong branch.

Zheng Hua clarified this question specially by saying that he did not hear anything about the change of Xu's director position. He also said that China's Constitution only applies to the mainland. After 1997, as Hong Kong will have its own "Basic Law" and will maintain its special conditions, even if Xu Jiatun is elected to the NPC Standing Committee, he can continue to be the XINHUA branch director.

'No Behind-the-Scenes Deal' on Elections
HK260343 Hong Kong HONGKONG STANDARD
in English 26 Mar 88 p 2

[By Yau Shing-mu in Beijing]

[Text] China's top man on Hong Kong affairs, Mr Ji Pengfei, says there has been no behind-the-scenes deal with Britain on direct elections for the territory.

According to lawyer and Basic Law drafter Miss Liu Yiu-chu, the Chinese leader gave this assurance to the 21 Hong Kong and Macao representatives to the National People's Congress when he called on them at their hotel yesterday.

Miss Liu said she raised this possibility during the meeting. But, according to her, Mr Ji said such an agreement with Britain would constrict the free formulation of Hong Kong's post-1997 constitution and show "disrespect" to the drafters.

Then Mr Ji said if these drafters and the NPC decided not to have direct elections, the Basic Law would "overrule" the introduction of universal franchise.

Hong Kong has been promised direct elections in 1991. Some quarters have raised the possibility of this being part of an under-table deal with China.

Miss Liu pointed out that it seemed "absolutely conclusive" that there would be universal franchise by then.

Council Group Opposes SRV Refugee Policy
HK290329 Hong Kong SOUTH CHINA MORNING
POST in English 29 Mar 88 p 2

[By Lulu Yu]

[Text] A proposal to treat future Vietnamese refugees as illegal immigrants will be put before Hong Kong's lawmakers during the Legislative Council's first meeting in May.

Mrs Rita Fan Hsu Lai-tai, an ardent critic of the territory's policy of giving first asylum to Vietnamese boat people, said yesterday she would move to have that policy stopped at the council's May 4 meeting.

She said she would press for a policy which allowed only those already in Hong Kong to keep their refugee status—new arrivals were to be either sent off or locked up in detention centres as illegal immigrants.

This was the first time Mrs Fan, who is the convener of the Legislative Council's ad hoc group on refugees, spelled out in clear terms how she believed new Vietnamese arrivals should be treated.

Voluntary or forced repatriation of the Vietnamese descendants—an option favoured by a number of legislators—is considered too drastic and damaging to Hong Kong's image as a humane place.

Mrs Fan said detention centres for Vietnamese illegals should be set up as a first step towards curbing their influx, to be followed by involuntary repatriation at a later stage.

The British and Hong Kong governments, meanwhile, should persuade other countries to take up the existing population of 9,000 refugees, which will be the last batch of Vietnamese refugees stranded in Hong Kong, she said.

"If we can make the overseas resettlement program a one-off deal, we can have some leverage in persuading countries to accept the refugees for the last time," said Mrs Fan.

"As things stand now, higher resettlement rates only prompt more people to leave Vietnam for other South-east Asian countries, so there is really no point in persuading to increase their quotas unless we can assure them that a solution has been found to the problem." [sentence as published]

While Britain refuses to increase its intake of 20 refugees a month from Hong Kong, all settler countries have restricted their quota in the past two years.

Mrs Fan said Hong Kong was not bound by law to accept all Vietnamese people who landed in the territory because it was not party to any international agreement on refugees.

"The former Governor, Lord Maclehoose, brought back 'an understanding' from the Geneva Convention in 1979 and started this policy of offering first asylum to Vietnamese boat people," she said.

"Does an understanding of that sort have any legal binding force or is it not just a policy that we are pursuing?"

Mrs Fan's plan to mobilise legislators into taking a tough stance against the first asylum policy came a day after Whitehall's views on the issue had been made public.

The British Government warned in a letter to Mrs Fan that it would be difficult and improper for Hong Kong to shun its obligations as a place of first asylum for Vietnamese refugees.

The letter from Lord Glenarthur, the Minister of State responsible for Hong Kong affairs, said legislators' efforts to stem their influx would hurt the territory's image as a humane place.

Small Survey Conducted On Post-1997 Emigration
HK270510 Hong Kong SOUTH CHINA SUNDAY MORNINGPOST in English 27 Mar 88 p 2

[By Stanley Leung]

[Text] About 35 percent of Hong Kong's residents have expressed a desire to emigrate due to fears over the 1997 issue, according to a recent survey.

The findings of the survey, in which about 1,000 people were interviewed, were presented yesterday in a paper by Lingnan College lecturer Law Wing-kin at a symposium on Guangdong-Hong Kong relations towards the 21st Century.

Mr Law said that in the survey it was found that there were more professional and well-educated people as well as those in the younger generation who were keen on leaving the territory.

Although most were not able to emigrate now, many would do so if the requirements for emigration were relaxed, he said.

Mr Law said there would be disturbing effects on the society if the exodus of these groups of people continued.

He said he believed the respondents' intention to emigrate was sparked by fears that Hong Kong's economic, social and political developments might become stagnant or even deteriorate after 1997.

Many of the respondents, especially the professionals and well-educated, expressed fears that the future standard of living and the government's respect for public opinions might worsen, he said.

Mr Law said the emergence of "confidence crisis" was not unnatural as the people of Hong Kong had been accustomed to a capitalist style of living. Any changes after 1997 when Hong Kong was returned to socialist China would arouse anxiety and unrest, he said.

This was demonstrated by the fact that more youths who receiving better education and earning higher salaries had expressed their desired to leave.

Although many people have left the territory in the last few years, some have returned. This showed that they still preferred the Hong Kong way of life.

Mr Law said that if Hong Kong were to retain the elite, it must do more to eliminate the anxiety over the 1997 changeover.

At the three-day symposium, organized by the Baptist College which ended yesterday, 31 papers were presented by academics from Guangdong, Hong Kong and Macao.

The Chinese delegation was led by the director of the Guangdong Provincial Academy of Social Sciences, Wang Zhiyuan.

Export, Import Trade Continues To Increase
OW251341 Beijing XINHUA in English 1417 GMT 25 Mar 88

[Text] Hong Kong, March 24 (XINHUA)—Hong Kong's exports grew 43.4 percent in terms of value in February this year over the same month of 1987, while its imports increased 18 percent, the census and statistics department reported here today.

The provisional trade figures released by the department show that the value of domestic exports in February this year amounted to 13,641 million Hong Kong dollars (nearly 1,749 million U.S. dollars), 36.5 percent higher than in the same month last year and its re-exports jumped 49.9 percent to 15,914 million Hong Kong dollars (2,040 million U.S. dollars).

Hong Kong's imports grew 18 percent to 28,470 million Hong Kong dollars (3,650 million U.S. dollars).

The visible trade surplus in February was 1,075 million Hong Kong dollars (139 million U.S. dollars), equivalent to 3.8 percent of its imports.

For the first two months this year, total exports came to 64,395 million Hong Kong dollars and imports amounted to 61,620 million Hong Kong dollars, representing 38 percent and 29.4 percent increase respectively. The trade in the first two months resulted in a surplus of 2,775 million Hong Kong dollars, about 4.5 percent of the value of imports.

Though the year-on-year growth rate of domestic exports in February was considerably higher than in January, local officials considered that caution should be exercised in interpreting figures for any individual month in isolation, in view of the fluctuations that may occur from month to month.

Government Welcomes Canadian Tariff Reduction
HK260441 Hong Kong HONGKONG STANDARD
(BUSINESS STANDARD) in English 26 Mar 88 p 1

[Text] The Government has welcomed Canada's decision to eliminate or reduce tariffs on 13 fabrics and yarns not made in Canada beginning September this year.

A Trade Department spokesman described the move as good news for local fabric manufacturers.

Hong Kong has signed a bilateral textile agreement with Canada in January last year, which restricted the increase of the territory's clothing and textile shipments.

Under the accord, the average growth rates for apparel were cut from between 2.2 percent and 2.7 percent to just 1.12 percent a year up to 1991.

Figures supplied by the Trade Development Council showed that Canada was Hong Kong's fifth largest market for articles of apparel and clothing accessories, with domestic exports amounting to \$2.4 billion in 1987.

This represented 3.7 percent of the territory's total domestic exports of these items during the year.

The lifting of tariffs will cover importations for use by the apparel industry from all foreign suppliers.

The specialty fabrics on which the duty will be removed include woven fabric containing 35 percent or more by weight of silk; woven fabric containing 85 percent or more by weight of linen; cotton woven fabric made of combed yarn of counts finer than 100 decitex; fabric containing 20 percent or more by weight of metal-lised yarns; and hand-woven tweed fabric.

Commencing on January 1, 1989, duties on a number of speciality apparel fabrics from the U.S. that are not made in Canada will also be removed.

February Consumer Price Index Rises
HK270520 Hong Kong SOUTH CHINA SUNDAY
MORNINGPOST in English 28 Mar 88 p 3

[Text] February's prices of consumer products were higher than in January, a consumer price index report by the Census and Statistics Department has shown.

An increase of 1.3 per cent was recorded for consumer price index [CPI] (A), which is based on the expenditure patterns of 50 per cent of urban households in Hong Kong. It was based on the 1984/85 household expenditure survey, and involved monthly spendings of between \$2,000 and \$6,499.

The increase in the CPI(B) is based on the expenditure patterns of 30 per cent of urban households. Also derived from the same source but on expenditure between \$6,500 and \$9,999 a month, the increase is slightly lower—only by 1.1 per cent.

Both indexes stood at 114, representing an increase of 6.9 per cent for CPI(A), and an increase of 6.8 per cent for CPI(B), over the previous year.

Dearer foodstuff is the key to the overall increases in both indexes.

Compared with January 1988, the index for foodstuff went up by 2.6 per cent in CPI(A) and 2.4 per cent in CPI(B).

This was mainly due to increase in the average retail prices of fresh vegetables, fresh-water fish, live poultry and salt-water fish around the Chinese New Year.

The higher level of increase was seen in live poultry, as its average retail price went up by 16.4 per cent for CPI(A) and 16.6 per cent for CPI(B).

Fresh-water fish ranked next, with a jump in its average retail price of 13.5 per cent for CPI(A) and 13.6 per cent for CPI(B).

Dining out at restaurants, hairdressing, cinema entertainment and package tours also cost more.

Clothing and footwear were the only cheaper areas, showing a 2.1 and 2.5 per cent drop in CPI(A) and CPI(B) respectively.

East European Academics To Address Symposium
HK260437 Hong Kong HONGKONG STANDARD
in English 26 Mar 88 p 2

[Text] Two academics from Eastern European bloc countries have for the first time been allowed to participate in a local symposium.

Professors Tamas Sarkozy of Hungary's Karl Marx University and Kresimir Sajko of Yugoslavia's University of Zagreb are among 20 top academics who will address the five-day symposium on Chinese civil law which got underway at the Chinese University of Hong Kong yesterday.

The symposium is part of the university's 25th anniversary celebrations.

The speakers are from China, Taiwan, Hong Kong, Western and Eastern Europe, North America and Asia.

The symposium will address topics such as the importance of business entities and associations and breach of contract liability.

It will also discuss the scope of private property in China today compared with the Soviet Union.

Other topics will cover liability for defective products, the legal status of the state and the role of civil law on the foreign investor.

International Symposium on Chinese Civil Law Held
OW251431 Beijing XINHUA in English 1339 GMT
25 Mar 88

[Text] Hong Kong, March 25 (XINHUA)—A four-day international symposium on Chinese civil law started here today with 37 participants from the Chinese mainland, Taiwan and Hong Kong and eight countries in North America, Europe and Asia.

The symposium is sponsored and hosted by the Chinese University of Hong Kong. Topics of about 20 speakers will focus on liability for breach of contract, ownership and heritable property, corporate theory, product liability and the impact of civil law on the foreign investor.

Since the publication of the civil code, people of different parts of the world have paid close attention to it, according to Wang Zhongfang, president of the China Law Society. Such a symposium would help participants to deepen their understanding of different legal systems, he said.

T.C. Wang, a law professor from Taiwan University, told the reporter that not only authorities, but also many common folks in Taiwan are showing a growing interest

in this civil law, because they have also met with problems with their relations on the mainland such as marriage and heritage affairs.

Wang said that "some articles of the civil code could have been made more specific so as to more effectively prevent the infringement on the rights of different groups and individuals."

Quite a number of foreign speakers have also made positive suggestions in their papers for improving certain parts of the law.

Macao

Ji Pengfei To Visit Hong Kong, Macao in June
HK290411 Hong Kong HONGKONG STANDARD in
English 29 Mar 88 p 2

[By Eddie Farr in Macao]

[Text] Macao Governor Carlos Melancia is expected to hold talks with the director of the Hong Kong and Macao Affairs Office, Mr Ji Pengfei, when he makes the first official visit to Beijing since the accord on the enclave was signed.

Mr Melancia's trip in May will mark the beginning of a busy summer for the 78-year-old Mr Ji.

He is scheduled to visit Hong Kong in June and then Macao before returning to the Chinese capital.

He will become the highest Chinese official to visit Macao since the foundation of the People's Republic of China in 1949.

The governor's visit to Beijing is being arranged at a diplomatic level. Portuguese ambassador to the Chinese capital, Mr Neto Valerio, is now working on the details.

Meanwhile, direct elections for six of the 17 Macao Legislative Assembly seats are expected to be held sometime after August this year.

The Legislative Assembly is made up of six directly elected members, six indirectly elected members and five members appointed by the governor.

Under-Secretary for Administration Mr Jose Antonio Barreiros told the STANDARD there would be no increase in the number of assembly seats this year, but he did not rule out the possibility of an enlarged one in the future.

Mr Barreiros also said the Government was studying a proposal that assemblymen appointed by the governor should not be allowed to hold civil service jobs.

Some members appointed by the governor now hold top posts in the civil service.

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